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NEWS SUMMARY

GENERAL

Iran claims U.S. sabotage

Iran's President Bani-Sadr said yesterday 96 Americans had been landed in various parts of the country to create a campaign of sabotage in the next two weeks.

He said on Tehran Radio two American helicopters have flown to the mountainous Bakthiari region in the south-east and arms were being supplied to Kurdish rebels in the north-west.

Earlier, the prosecutor-general's office said two Americans had been jailed for their alleged role in last month's failed mission to rescue the Tehran hostages.

EEC cash rethink

Officials now think the EEC should have enough money to see it through to early 1982. Back Page

Ulster incentive

Government plans for devolution in Ulster appear to include a massive financial incentive to the Roman Catholic minority. Back Page

Military control

Ugandan military commission responsible for overthrowing President Binaisia appeared to be in control of the capital, Kampala. Page 3

Drug boy dies

Andrew McEwen, 17, whose home lown Holyhead collected nearly £4,000 to treat him with the oew drug Interferon, died in hospital.

Death by stoning

Black schoolchildren boycotting classes in protest at South Africa's racially separated education system stoned a man to death in Port Elizabeth.

Sadat move

President Sadat said Egypt is to resume negotiations on Palestioian autonomy in a speech announcing cuts in basic commodity prices and an increase in minimum wages. Page 3.

MP convicted

Former Northern Ireland Under-Secretary James Dunn was found guilty in London of two shoplifting charges. Dunn, Labour MP for Kirkdale, Liverpool, was conditionally discharged for a year.

Hostel fire remand

Youth aged 15 was remanded at Glasgow, accused of murdering four men after starting a fire in a bostel.

Mary Bell freed

Mary Bell, 22, ordered to be detained indefinitely for strangling two boys in Newcastle nearly 12 years ago, was released from prison on licence.

Briefly . . .

French Olympics Committee voted to take part in the Moscow games.

International Herald Tribune is to print in Hong Kong via satellite page transmission from Paris.

PUBLISHER'S NOTICE

The Financial Times regrets that readers in the UK and abroad did not receive yesterday's issue. This was because some printing employees in London failed to report for work in support of the TUC's Day of Action.

We also apologise for errors contained in this issue which are dne to difficulties in the reading department.

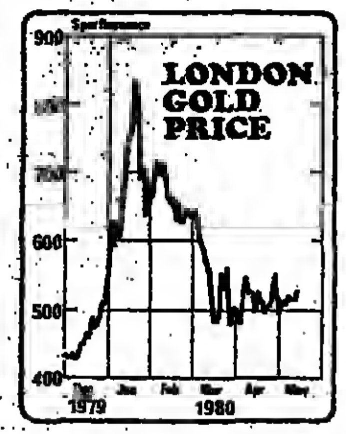
BUSINESS

Sterling firmer; Gold up $13

● STERLING rose against most currencies on news of the Saudi Arabian oil price rise. It closed at $2.2885, a rise of 85 points, and its trade-weighted index rose to 73.1 (72.9). Page 37

● DOLLAR finished slightly down from Tuesday's levels, closing at DM 1.7920 (DM 1.7940) and SwFr 1.6610 (SwFr 1.6650). Its trade-weighted index eased to 85.2 (85.4). Page 37

● GOLD rose $13 in London to close at $525¼. Page 37



● EQUITIES remained firm, helped by the strength of British Petroleum. The FT 30-share index closed 3.1 up at 440.0. Page 40

● GILTS eased, with longs closing ¼ down on the day, and shorts losing 1/8 in anticipation of today's money suppy figures and tomorrow's April trade returns. The Government Securities index closed 0.28 down at 67.34. Page 40

● WALL STREET was up 4.27 at 821.16 near the close. Page 38

● GRAND Metropolitan has raised its bid for Liggett from $50 per share to $69. Standard Brands' competing bid is valued at $65 per share for 45 per cent of the stock.

● INTERBANK Card Association, licensor of Mastercard, plans to enter the travellers cheque business early next year. Back Page

● MERGER is proposed of six Malaysian tin mining companies, creating the world's biggest tin concern. Headed by Malayan Tin Dredging, the companies have a combined share market value of more than £120m. Back Page

● BUILDING Society receipts rose to £266m in April, the highest since the £544m of October, 1979. The March total was £200m. Page 5

● UK SUPPLY companies took 79 per cent of a record £2.68bn of orders placed by offshore oil operators working in British sectors last year, according to Government statistics. Page 6

● DAIMLER-BENZ and MAN have submitted plans to Turkish authorities for the manufacture of diesel engines and commercial vehicles. Page 4

COMPANIES

● ROYAL INSURANCE reported first half pre-tax profits doubled from £12.8m to £25.5m Page 26. COMMERCIAL UNION ASSURANCE said its pre-tax profits for the same period were up by £2.9m to £26.3m. Page 28 and Lex, Back page

● RANK HOVIS McDougall, bakery, agriculture and cereals group, reported taxable profits up from £16.06m to £20.22m in the six months to March 1. Page 26 and Lex, Back page

● BMW, West German car and motor cycle manufacturer, increased oet profits last year by 16.2 per cent to DM 177.1m (£49.5m) Page 34

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Blue Circle	322	+ 6
Camrex	35	+ 3
Christies Intnl.	192	+ 9
Deritend	158	+ 20
Greycoat Ests.	132	+ 6
Haslemere	336	+ 8
Jenks and Cattell	80	+ 10
Lonrho	85	+ 4
Low and Bonar	173	+ 6
Matthews (B.)	345	+ 25
News Intnl.	166	+ 11
Rush and Tompkins	183	+ 9
Sainsbury (J.)	345	+ 10
Sothebys	462	+ 9
Stnrd. Tlphns. Cbls.	298	+ 5
Aran Energy	410	+ 22
BP	354	+ 14
Royal Dutch	£36¼	+ 2½
Shell Transport	384	+ 18
Siebens (UK)	947	+ 79
Ashton Mining	126	+ 9
Gopeng Cons.	375	+ 40
Hampton Areas	390	+ 20
Haoma Gold	53	+ 6
Killinghall Tin	440	+ 60
Minorco	250	+ 14
North West Mining	50	+ 6
Tanks	276	+ 10
Tronoh	255	+ 10
Ventersport	569	+ 43
West Drie.	£33¾	+ 1¾
FALLS		
Treas. 13pc 2004-08 (£20 pd.)	£21¼	− 1/8
Bank of Ireland	302	− 13
Booth Intnl.	34	− 6
Borthwick (T.)	47	− 5
Crest Nicholson	100	− 4
Dorada	53	− 5
Jessups	35	− 8
RHM	47¼	− 2½
Royal Insurance	345	− 5

Saudis raise oil $2 to 'stabilise' OPEC prices

BY RAY DAFTER, ENERGY EDITOR

SAUDI ARABIA, the world's major oil exporter, has raised its crude oil prices by $2 a barrel with effect from April 1.

This brings the cost of Saudi light crude to $28 a barrel, $7 less than the price being sought by Iran for the equivalent grade of oil. But the difference between the highest and lowest prices in the Organisation of Petroleum Exporting Countries remains at record-levels.

In the oil industry the widely-expected move was considered to be a renewed attempt to restore more pricing unity in OPEC.

The major impact of this, the eighth increase introduced by Saudi Arabia since the beginning of last year—will be felt by the four U.S. major oil companies which are partners in the Arabian American Oil Company (Aramco) — Exxon, Standard Oil of California (Chevron), Texaco and Mobil.

The Aramco partners take about 8m of the 9.5m barrels a day produced by Saudi Arabia.

Large non-American companies, like British Petroleum, the Royal Dutch/Shell Group, and Total, which do not have access to large volumes of Saudi crude will be relieved that some of the pricing advantages enjoyed by Aramco partners have been eroded.

Even with this latest increase, Saudi Arabia's oil is about 21 per ceot cheaper than Iranian oil and 18.2 per cent below the rate for Forties oil from the North Sea. But Saudi Arabia has managed to bring its prices in line with the basic rates charged by some of the other leading OPEC members like Kuwait and Iraq.

The industry was unwilling to speculate last night about whether the Saudi move would start another round of price leap-frogging. Clearly Saudi Arabia hopes its moderation and attempt at unification will set the pattern for discussions at the next price-fixing meeting of OPEC, to be held in Algeria early next month.

As part of this latest attempt to restore an orderly pricing mechanism, Saudi Arabia has

Continued on Back Page
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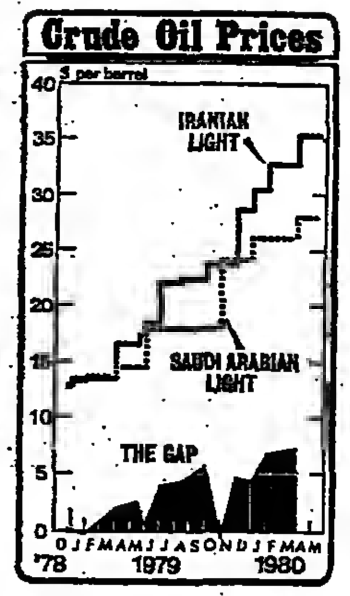

U.S. BID TO SAVE IMPORT FEE

THE U.S. Government yesterday launched a two pronged attempt to save its planned $4.60 a barrel oil import fee, which was to have come into force today.

An appeal was lodged against Tuesday's court decision that President Carter was pre-empting Congressional powers and the Treasury Secretary told the House trade committee that to back away from the fee would send a "troobling signal" to financial markets and oil producing states.

The Exxon will pay Atlantic Richfield $400m for a 60 per cent interest in its shale oil operation in Colorado. Page 33

Shell and BP make new North Sea gas discoveries

BY RAY DAFTER, ENERGY EDITOR

PROSPECTS for North Sea gas production has been significantly increased as a result of discoveries in both the Norwegian and UK offshore sectors.

In the Norwegian sector, a group led by Norske Shell has confirmed the presence of a major national gas field, in block 31/2, North-West of Bergen. Two new wells, drilled to evaluate last year's important discovery, have each struck gas reserves.

Unconfirmed reports in Norway, reinforced by comments from Oslo Oil Ministry officials, have suggested that the unnamed field could be several times larger than the big Anglo-Norwegian Frigg Field which contains over 200bn. cubic metres of recoverable reserves.

However, Norske Shell would not comment on the commercial potential. The company pointed out that so far none of the wells had been flow-tested. Consenuently, the producing characteristics of the field had not yet been evaluated.

The operator, which has a 35 per cent stake in the block, added that a fourth well would be drilled later this year. Other interests in the concession are: Statoil, the Norwegian state corporation with a 50 per cent stake; Norsk Conoco with 5 per cent; Superior Oil Norge with 5 per cent; and Norsk Hydro with 5 per cent.

British Petroleum yesterday announced that it too had discovered gas in a very deep well drilled in block 30/4 in the Norwegian sector, very close to the UK/Norway median line. The company, which is operator for a partnership with Statoil, described the discovery as "interesting." Further drilling would be needed to evaluate the significance of the find.

The well, drilled to a depth of 4,775 metres, tested a flow of gas at the rate of 820,000 cu metres a day (29m cu ft a day). In addition, some 1,100 barrels a day of condensate—very light oil—was produced. The BP/Statoil structure could be connected with the gas discovery, 2.5 km to the South in block 30/7—a coocession owned by Statoil, Norsk Hydro and Petronord.

In the UK sector the latest well drilled by the Total/Elf group on the North Alwyn Field structure in block 3/9a has confirmed fresh gas deposits. The well, considered in the industry to be "encouraging," was sunk to further evaluate the complex Alwyn reservoirs, east of the Shetland Islands aod some 50 miles North of Frigg.

It is possible that when data from the well has been fully evaluated, Total will submit a development plan to the Department of Energy. It also seems likely that Alwyn will be linked to a UK gas-gathering network, costing between £1bn and £1.5bn, which may be given Government approval this year.

● BP is believed to have discovered oil beneath the producing reservoir at its Kimmeridge onshore field, in Dorset, discovered 20 years ago, and now producing about 390 barrels a day.

E. Germans lose $200m loan

BY PETER MONTAGNON

PLANS BY the East German trade financing concern Intrac to float a large Eurocredit of about $150m to $200m have been shelved because of lack of enthusiasm in the international banking community for lending to Eastern Europe in the present political climate.

Intrac will float a much smaller credit of $55m, which will be syndicated exclusively among Austrian banks under the leadership of the Girozentrale in Vienna.

Girozentrale sounded out international banks on the larger credit, but met with almost universal reluctance, especially by U.S. banks, to lend to a "hardline" Comecon country in the aftermath of the Soviet Union's invasion of Afghanistan.

The alternative option of raising a smaller credit through Austrian banks was chosen because the proceeds are intended to finance Austrian exports to East Germany. Five Austrian banks are involved in the credit besides Girozentrale, though bankers in Vienna declined yesterday to name them.

The credit bears a margin over Libor of ¾ per cent throughout its seven-year life. Management fee is ⅜ per cent, and the credit is guaranteed by Deutsche Aussenhandelsbank.

These are the same terms as originally proposed for the larger credit.

Bankers in London say that they are appropriate, given the economic condition of East Germany, but the political aspect has become such a stumbling block that even a significantly higher margin would not have prompted interest from the U.S. banking community.

NATO backs tough U.S. stance
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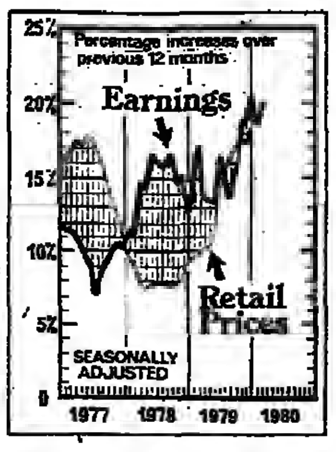

Average earnings rise 20%

By David Marsh

AVERAGE EARNINGS are growing at an annual rate of well over 20 per cent, the highest for more than four years. The rate of increase has been rising steadily since the present pay round began last summer.

The rise in earnings is keeping pace with consumer prices in spite of the increase in adult unemployment to a post-war high.

Provisional figures from the Employment Department published yesterday, show that average earnings covering 21m employees throughout the economy rose by 20.1 per cent in the 12 months to March. The Department's index (January, 1976=100) rose to 172.6—3.2 per cent above the level in February, when the year-on-year rise was 18.6 per cent.

The annual rate of increase for April—for which the figures will be published next month—is likely to have risen further above the 20 per cent level. Pay levels were boosted significantly last month as a result of the British Steel strike ending and the implementation of a large part of the Clegg pay comparability awards to public sector workers.

Whitehall officials say the underlying rate of earnings rises has remained at just over 20 per cent for the first three months this year.

The rate has risen from 15 to 16 per cent in the late summer and from about 15 per cent a year ago. This acceleration has been an important factor contributing to the rise in prices.

Earnings have been rising faster than inflation for most of the last two years. The retail price index for April, to be published on Friday, is expected to show an annual rise of 21 per cent or more, double

Continued on Back Page
Retail sales Page 6

£ in New York

—	May 13	Previous
spot	$2.2880-2890	$2.2875-2900
1 month	1.50-1.45 dis	1.50-1.42 dis
3 months	3.35-3.25 dis	3.38-3.30 dis
12 months	7.15-6.95 dis	6.90-6.75 dis

Day of action disappoints TUC leaders

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FIRST national day of protest called against a Government by British trade union leaders ended in disappointment for most of them last night.

Employers reported minimal disruption on the day of action as the majority of workers decided that the TUC's call was not worth the loss of a day's pay.

Despite the lack of industrial support from its 12m rank-and-file trade unionists, the TUC claimed that it had succeeded in getting across its message about the perils of the Government's economic policies.

Mr. Len Murray, the TUC general secretary, declared himself "not dissatisfied."

He said: "We are interested in issues, not numbers. Numbers are incidental. The Press and the CBI invented a general strike. We never sought to measure it in this way.

But he admitted he was disappointed with the failure of many railwaymen and busmen to take the day off, as advised by their unions.

Government Ministers interpreted the even as a sign of growing acceptance of their policies, and as evidence that the TUC leaders were out of touch with their membership.

Lord Hailsham, the Lord Chancellor, one of the few to be outspoken, declared the day of action had given the Tory Party "the best propoganda weapon it has had in 30 years."

Most of those who stopped work were in State industries like coal, shipbuilding and rail, but the threatened wholesale disruption of public transport did not materialise.

Every coalmine in South Wales, where workers have been pressing the TUC for a national demonstration, was shut, as were most pits in Scotland and Yorkshire.

About a third of British Shipbuilders' 73,000 workers stayed away.

In the private sector employers estimated that at least 70 per cent, and in some regions up to 90 or 100 per cent of their workers turned up.

The CBI could not name any company forced to shut for the day. None of the Fleet Street national daily newspapers was published yesterday.

Sir John Greenborough, CBI president, said the response was an indication that people were "coming to acknowledge that the prosperity of the firms in which they work is their prosperity."

Most trade union leaders had left it to their members to decide what actio nto take. The TUC said that more than 130 rallies had been staged up and down the country.

Mr. Murray said that the real test of yesterday's activities would be seen in the months ahead.

The task of union leaders was to alert the countr yto the consequences of Government policies.

"Our job is to be ahead of public opinion. We are always being told that the TUC should give a lead, and we have given a lead very positively."

The TUC, whose General Council meets next week, is to continue its campaign against the Government.

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Chrysler offers rebates to boost car sales

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, THE troubled American motor manufacture which last week won $1.5bn worth of U.S. Government loan guarantees, has announced one of the most generous retail rebate plans by a Detroit motor company.

It is to give betweeo $200 aod $1,000 (£85-£440) in rebate per car on thousands of 1979 and 1980 models which previous incentives have failed to sell.

The latest offer even extends to a small number of the fuel-efficient cars and small vans which Chrysler imports from Mitsubishi, although it does not include Chrysler's own small cars, the Omni aod Horizon, which are in short supply.

The announcement of the rebate plan was made by Chrysler on the same day that its shareholders voted by a huge majority to accept the management's recommendation that Mr. Douglas Fraser, president of the United Autoworkers' Union, should join the Chrysler board.

Over 44m votes were cast in favour of the oomination, compared with fewer than half a million against, although there were some heated exchanges at the annual meeting

One critic described it as "a giant step down the road to socialism."

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Ottawa drives hard bargain with Chrysler Page 33

CONTENTS

For latest Share Index 'phone 01-246 8026

Student unrest spreads as police storm Paris campus

BY DAVID WHITE IN PARIS

SEVERAL WEEKS of growing unrest at French universities threatened to build np into a national movement yesterday after the death of a demonstrator at a Paris Left Bank scieoce faculty on Tuesday.

The National Union of French Students called a fresh demonstration yesterday afternoon at the modern Jussieu campus to protest against police violence. A meeting condemning new conditions imposed on foreign students was hroken up on Tuesday by police and CRS riot squads after a bus had been set on fire outsida the campus.

The demonstrator who died was M. Alain Begrand, who fell 30 feet to his death when a roof he jumped on gave way. He was not a student at the university and was said to belong to a group of so-called "antonomes" or "nncontrolled elements" who joined the demonstrators.

The police were accused of flouting university rights by intervening without being requested by campus authorities. Jussieo houses two of the city's 13 university sections. Directors of both yesterday denied they had asked for police help.

Several policemen were injured as demonstrators threw furniture and molotov cocktails. Teargas grenades and long wooden truncheons were used against the students, who clashed again with police later on Latin Qnarter streets which saw some of the worst rioting in May 1968.

The incident at Jussieu, whicb bagan last Friday, coincided with agitation at other French universities. notably Caen and Grenobla, where there has also been fighting between students and police. A seven-week students' strike at Rennes, in Brittany, ended on Tuesday.

The unrest has been sparked off by reaction to two government circulars on foreign students, imposing a new entry test and requiring proof of means of support. France has over 100,000 foreign students, about 12 per cent of the total enrolled at its universities.

On the labour front, Tuesday's "day of action" called by three of the largest trade unions, attracted widespread support, especially in the public sector.

The stoppages and protests, which included a large demonstration by the Communist-led CGT in Paris, were in response to proposed changeg in France's health insurance system. The success of the movement appears to have revived union spirits after their failure to agree on a joint platform for their traditional Mey Day parade.

French will compete in Moscow

BY ROBERT MAUTHNER IN PARIS

THE FRENCH national Olympics committee bas voted by an overwhelming majority to take part in the Moscow Games in spite of last-minute Government pressure to delay a decision until its West German counterpart has made its choice.

Tha resolution in favour was approved on Tuesday by 22 of 23 delegates at the meeting and by 17 of the country's 23 sporting federations. The show-jumping and shooting federations opposed participation, wbile the association football, hockey, yachting and ice-sports federations wanted to postpone the decision.

M. Claude Collard, the committee chairman, said after the vote that there was no discussion of political problems, such as the Soviet intervention in Afghanistan which provoked President Jimmy Carter's call for a boycott o fthe Olympics. It was not np to the committee to take political decisions. He said "That is the Government's business."

The Governmant, however, has been placed in an embarrassing position by the vote and its own ambiguous stand in the wbole question. Having first said that an Olympics boycott was an "inappropriate response" to the invasion of Afghanistan and that it was np to the national Olympics committee to decide wbether it would participate, the Government has progressively modified its position.

M. Jaan-Pierre Soisson, tha Minister of Sports, is on record as saying that, while the Government did not favour a boycott, it would be pointless for French athletes to participate in exclusively Eastern European games, from which some of the world's leading performers were absent.

The decision by the West German Olympics committee, dne to meet today, was, therefore, considered by the French anthorities to be a crucial factor in determining their own attitude towards the Moscow games.

It is not yet clear whether the Government will attempt to persuade the committee to change its mind if West Germany decides not to participate. Since most French sporting federations benefit from substantial Government subsidies, the anthorities certainly have the means to exert pressure. Bnt to twist their arms in this way, could become a politically explosive issue with the next presidential election only 12 months away.

Reuter adds from Bonn: West German sporting leaders said yesterday they were not surprised at the French decision and few thought it would affect today's decision. Herr Willi Daume, the West German committee president, said, bowever: "It would be a dreadful situation if we were alone among the large nations of Europe in following the boycott."

France to fill Eurodif breach

BY TERRY DODSWORTH IN PARIS

FRENCH INTERESTS in Eurodif, the uranium enrichment consortium, have decided to shore up their present shareholding by stepping into the breach caused by the Italian decision to reduce that country's stake in the enterprise.

As a result the French shareholding, held either directly or indirectly by COGEMA, the nuclear power concern, will rise from 42 per cent to 51 per cent. The Italian stake, held jointly by AGIP Nuclear and the Italian Committee for Nuclear Energy, will fall from 25 per cent to 16 per cent.

France will thus be faced with additional financing for its amhitious nuclear programme. Already this year the Government has had to write off substantial losses at Electricité de France, the country's electricity-generating utility.

The threat of further shareholding difficulties still bangs over Eurodif because of uncertainty about the attitude of the Iranian Government to its 10 per cent stake. At different times in recent months, Iranian leaders have said that they want to withdraw shareholding and to stay in. The Iranian finance in Eurodif remains frozen by a French comercial court, but Ffr 70m (£7.3m) due to be paid in by the Iranians, has been withheld.

Embassy guards hurt in Corsica separatist attack

BY OUR PARIS STAFF

FOUR FRENCH police guards were wounded outside the Iranian embassy here early yesterday morning in an attack which apparently bad nothing to do with Iran but which formed part of a campaign by Corsican separatists against the French authorities.

The National Front for the Liberation of Corsica (FNLC), a guerrilla group which has staged numerous bomb attacks over the last few years, claimed responsibility.

A grenade was thrown from a passing car and bursts of fire from an automatic weapou hit a police bus parked by the embassy. Three policemen suffered leg wounds. A fourth was hit in the face but was later said to be out of danger.

The attack followed the trial of seven FNLC members at the State Security Court in Paris. Six of them were sentenced on Tuesday to prison terms of between four and eight years.

It was the first time that the organisation, formed in 1976, bad claimed responsibility for an attack causing more than material damage.

The previons night, just before the trial, an explosion damaged a wing of the main Paris lew courts. Another bomb went off at a suburban police station and a third yesterday morning at a restaurant in Paris, but nobody claimed responsibility.

Last month separatists placed a series of bombs in Corica, Nice aod Paris after a meeting between President Giscard d'Estaing and MPs and mayors from the Mediterranean island.

Turkish warning

The exasperation with Parliament felt hy the Turkish army has ben manifested in a statement by Gen. Kenan Evren, the Chief of Staff, regretting MPs' inability to elect a new Presidant, writes Metin Munir in Ankara. More than 70 ballots have ben beld in Parliament hut no candidate has won tha necessary majority. The general's statement will be taken as a warning by politicians.

BASE LENDING RATES

A.B.N. Bank	17 %	Hambros Bank	17 %
Allied Irish Bank	17 %	Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amros Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Sweden's seamen drop strike threat

By William Dullforce in Stockholm

BY WITHDRAWING strike notices against six Swedish shipping companies yesterday the seamen's union opened the way for the implementation of the pay settlements which ended the country's biggest industrial conflict on Sunady. On Tuesday the employers refused to negotiate the settlements at branch level until the seamen had dropped their threat.

This strike had nothing to do with pay but aimed to compel the shipowners to use Swedish crews on 14 vessels which they operate under foreign flags. The seamen's leader said his union was retreating for formal reasons bnt would renew its campaign later.

An opening also appeared yesterday in the dispute between dock workers and their employers. This has prevented the full resumption of Swedish trade and, in particular, has continued to block exports of pulp, paper and steel goods from northern harbours.

The stevedore companies on Tuesday lifted their lock-out against 2,000 workers. Yesterday the stevedores agreed to handle some essential imports and both sides will start talks tomorrow.

The stevedores union is not a member of the LO, the blue-collar unions' federation, which signed the pay agreements on Sunday. The stevedores are demanding a 30 per cent pay rise and the right to negotiate their own agreement with the employers.

Meanwhile, new price statistics show that Swedish workers are almost sure of obtaining a further 1 per cent pay increase from the clause in Sunday's agreements which guarantees them this amount should the consuemr price index rise by 2.8 per cent between April and October.

Consumer prices rose by 0.7 per cent between March 10 and April 20 in spite of the freeze on prices imposed by the Government on March 27, the Statistical Central Bureau reported. The freeze will be lifted on Friday. The oil companies will be allowed to raise the price of petrol by 10 ore a litre (1.4p a litre) on Saturday. Fuel oil for heating homes will go up SKr 50 a cubic metre.

In the 12 months to the end of April, Swedish consumer prices rose by 13.6 per cent.

Channel pollution

France yesterday called for an international conference in Paris before the end of the year to discuss measures to prevent oil pollution in the English Channel, a presidential spokesman said, Reuter reports from Paris. It would be aimed at defining ship safety controls and improving and co-ordinating technical means to fight pollution. M. Joel le Theule, the Transport Minister, has started contacting all governments concerned.

WARSAW PACT SUMMIT

Tensions masked by outward calm

ANTHONY ROBINSON AND CHRISTOPHER BOBINSKI IN WARSAW

TOP POLITICAL and military leaders celebrated the 25th anniversary of the Warsaw Pact's foundation yesterday with a closed-session summit meeting whose only public manifestation was a plea for continuing detente by Mr. Edward Gierek, the Polish party leader.

The meeting was being held at a "complex moment in the development of the international situation . . . dangerously overshadowed by the intensified activity of imperialist and Cold War forces interested in the aggravation of tension," he said. The only reasonable way to develop East-West relations was through "political dialogue, continuation of the process of detente, halting the arms race and effective steps towards disarmament, equal security and equal co-operation in all fields."

Apart from this gesture of goodwill from Poland, which, apart from playing host, is also the country most deeply committed to detente for economic and political reasons, neither President Leonid Brezhnev nor other leaders have made public statements. They are believed to be holding back from public pronouncements until they receive news of the communique expected from the NATO Foreign and Defence Ministers meeting taking place at the same time in Brussels.

One conspicuous absentea from the summit is Defence Minister Marshal Dimitri Ustinov, the Soviet Defence Minister, who is believed to be ill.

Outwardly the summit is low key. It is taking place to the apparent indifference of the citizens of Warsaw and the only celebrations planned are a gala performance at the National Theatre and two wreath-laying ceremonies today.

Behind closed doors in Warsaw's Council of Ministers building, however, the Communist bloc's equivalent of NATO is holding its first formal reassessment of the international situation since the deterioration in East-West relations which followed the Soviet invasion of Afghanistan. It takes place, furthermore, as reports from that country indicate that Moscow underestimated both the military difficulties involved in crushing Afghan resistance as well as the degre of Western and Third World opposition to the invasion, which was undertaken without prior consultation with its Warsaw Pact allies.


Mr. Gierek: plea for continuing detente

The economic implications of any prolonged deterioration in East-West relations and possible Soviet demands for increased military spending by the Pact have also perturbed East European leaders already facing a severe decline in growth and the inflationary impact of higher energy and other prices.

Against this, however, Kremlin hardliners and some military leaders, including Marshal Viktor Kulikov, the Pact commander-in-chief, appear to want to take advantage of the heightened tension and the recent NATO moves to increase military budgets, modernise theatre nuclear forces and close ranks around the United States, by demanding similar sacrifices from their own partners.

Romania, which has consistently stood out against Soviet inspired moves to introduce an integrated command structure placing national armies under direct Soviet control, is believed to have come under renewed pressure to accede to these demands.

No mention of these underlying strains is expected to surface in today's final document, however. This is expected to contain a new version of the earlier Warsaw Pact proposals for a European disarmament conference, support for the forthcoming Madrid follow-up conference on European security. Other conciliatory gestures could include further unilateral Soviet troop withdrawals similar to those from East Germany announced by President Brezhnev in East Berlin last October.

CDU unveils election programme

BY ROGER BOYES IN BONN

WEST GERMANY'S opposition Christian Democratic Party (CDU), still smarting from serious setbacks in a number of recent state elections, yesterday presented its general election programme which it hopes will win back voters.

It rehearses the main elements of the party's political philosophy: increased defence spending, stronger ties with the U.S., more scepticism towards the Soviet Union. On the domestic side, the party wants lower public spending, less bureaucracy and state intervention, and lower taxes.

The party appears to have written off its defeat in last weekend's election in North Rhine Westphalia—where the CDU lost 4 per cent of the votes and the ruling Social Democrats won a near-landslide victory—as a miscalculation. Regional issues were emphasised at the expense of direct attacks on tha policies of Chancellor Helmut Schmidt.

In any case, the CDU is sticking to its choice of Herr Franz Josef Strauss, the Bavarian Premier, as its challenger to Herr Schmidt, despite lingering doubts in some sections of the party.

The CDU has evidently gone on the offensive again in an attempt to assure the electorate that it is still a serious contestant in the October general election. Herr Strauss used the presentation of the programme to launch a sharp attack on the foreign and domestic policies of Herr Schmidt's Social Democratic Party (SPD). The Social Democrats bad swallowed the premise of the "Soviet Union's detente policy which was nothing more than the continuation of the Cold War hy other means," be said. This would lead to the isolation of West Germany within the alliance.

In the Bundestag, meanwhile, the CDU has attacked the Government for its role in the violent anti-army riots in Bremen last week in which over 250 policemen and several dozen demonstrators were injured. According to the opposition, the SPD had links with the demonstrators. The Government has officially deplored the riots.

'Blackmail' claim by Swiss bank

BY JOHN WICKS IN ZURICH

TWO FRENCH customs officers facing Swiss charges of economic espionage allegedly attempted to blackmail a former employee of Union Bank of Switzerland, acording to the bank.

In response to claims made in a Geneva newspaper, the bank alleged the two officials last year tried to obtain lists of bank clients from a former employee by offering him money and threatening prosecution in connection with a feigned car theft.

One of the two, M. Pierre Schultz, was released from custody last week. His colleague, M. Bernard Rui, was released from remand on Tuesday on bail of SwFr 50,000 (£13,090).

The customs officers are to be charged with illegal action on behalf of a foreign power, economic espionage and contravention of Swiss banking law.

It is alleged that Herr Herman Stroelin, the former bank employee, was approached by M. Rui last November. He was offered money and threatened with prosecution with respect to a stolen car which, after M. Rui's telephone call, was found on land Herr Stroelin owned in Alsace. Her Stroelin did not know where the car came from, it is stated.

Herr Stroelin is said to have informed the bank and the police of the telephone call. Subsequently, M. Rui and M. Schultz visited Switzerland in an official vehicle "several times" to meet Herr Stroelin.

On April 15, Herr Stroelin, in co-operation with the police, is alleged to have arranged to meet the officials in the buffet of Basle station, where they were arrested.

The French authorities have confirmed thet a stolen car was found on Herr Stroelin's property, but call the allegations a "fabrication of slanders and misrepresentations."

Zero growth forecast for Denmark

By Hilary Barnes in Copenhagen

DENMARK CAN expect no economic growth in 1981 after a fall in real Gross Domestic Product, 1.5 per cent this year, according to a forecast by the Federation of Industries. The federation also predicts that, in spite of Government economic measures now before Parliament, the balance of payments deficit will not improve this year or next.

Only exports and public consumption are expecter to rise in real terms this year both by 4 per cent, but private consumption will drop by 4 per cent and business investment by 6 per cent. Imports will fall by 2.5 per cent.

In 1981, private consumption will fall by a further 1 per cent and business investment by 5 per cent, while exports and public consumption will increase by only 2 per cent. Imports should fall by 1 per cent.

The federation expects industrial output to rise by 2 per cent this year and 1 per cent in 1981.

The current balance of payments deficit will rise from DKr 15.6bn (£1.2bn) in 1979 to DKr 17bn in both 1980 and 1981, according to the forecast.

Genstar share deal

Genstar, the Canadian building materials and chemicals group, said it has been informed that Societe Generela de Belgique has reached agreement with Blue Circle Industries for the disposition of 2,789,000 Genstar shares formerly held by Blue Circle, Reuter reports from Montreal.

Austria learns to prosper in East-West no-man's-land

BY PAUL LENDVAI IN VIENNA

AUSTRIA IS celebrating the 25th anniversary of the conclusion of the state treaty today and tomorrow, a unique event not only in Austrian history hut also in post World War II peace-making.

On May 15, 1955, the Foreign Ministers of the four great powers (Harold MacMillan for Britain, John Foster Dulles for the U.S., V. M. Molotov for tha USSR, and Antoine Pinay for France) and Austria's Leopold Figl signed the treaty in the baroque Belvedere Palais, ending the 10-year four-power occupation of Austria. They also marked the beginning of detente, the only truly significant withdrawal of Soviet military power in Europe.

The treaty was uniqua because it was "an agreement between the superpowers about damage but benefited that other state," as one commentator has put it.

Chancellor Bruno Kreisky is one of the few surviving Austrian participants in tha talks which led to tha independence and nautrality of Austria. Ha recently paid tribnte to tha wisdom of Nikita Khrushchev, the late Soviet leader who, overruling Mr. Molotov's resistance, pushed through the decision to pull 50,000 troops out of Austria. It was the same Soviet leadership which agreed to the reconciliation with Marshal Tito in Yugoslavia, as it sought to convey to the world a visibla and convincing signal of a new foreign policy.

But as the Foreign Ministers of the signatory powers and all neighbouring states gather in Vienna this week, the assessment of the top U.S. diplomat of the period, tha late ambassador Charles Bohlen is still valid: "To this day, no outsider knows for certain why the Soviet Union shifted its position on Austria."

Three factors evidently played a major role, and Western policymakers should keep the lessons in mind. First, independence was not a gift but the result of the endurence, courage and flexibility of the Austrian peopla and Government. At the first free elections in November 1945, the Communists, supported by the Soviet occupation authorities, captured only four of the 165 seats. Five years later, the Austrian workers and the Government foiled what appeared to be the prelnde to an attempted Communist coup.

Second, the Western negotiators during the 260 sessions of the four-power talks showed skill and perseverance in supporting the creation of a truly independent Austria.

Third, neither the staunchly anti-Communist resistance of tha Austrians nor Western support alone would bave prodnced the state treaty if the Russians had not decided to make a virtua of necessity, giving up eastern Austria in exchange for removing Atlantic alliance forces from the west, and driving a wedge between two alliance members, West Germany and Italy.

What was tha price Austria paid? Austria's perpetual neutral status was not part of the State Treaty, and not imposed by the four great powers, although neutrality was part of tha package deal. In tha constitutional law of October 26, 1955, Austria declares "of her own free will her perpetual neutrality." Furthermore "Austria will not join any military alliances and will not permit the establishment af any foreign bases on ber territory."

It was symbolic that Parliament enacted the neutrality law one day after the last soldier, a British general had left Austria.

Since then, Austrian Governments, even during sucb crises as Hungary in 1956 and Czechoslovakia in 1968, have demonstrated that military neutrality does not necessarily mean political and ideological neutrality. Only 18 months after the treaty, and a year after the departure of foreign troops, Austria opened its borders for nearly 200,000 Hungarian refugees, and did the same after the Soviet invasion of Czechoslovakia in 1968. Even when Soviet troops moved into Afghanistan, Chancellor Bruno Kreisky used mucb blunter language than, for instance, President Valery Giscard d'Estaing of France. The same is trua of buman rights violations in Eastern Europe: Austrian leaders are second to nooe in their efforts to help, publicly and privately, the victims of politically motivated persecutions.

Austria's economic progress and political and social stability are all the more remarkable from the fact that the eastern region, including the oil fields, was economically exploited by the Soviets. The Russians handed hack 419 companies, employing 53,000 people, which the Soviet Union took over as "former German assets," for which they received $150m worth of deliveries, as well as 10m tons of crude oil during the following 10 years. But the structural disadvantages stemming from the Soviet occupation are still felt, accentuating the westward shift in population and resources.

A few figures illustrate the economic recovery of a country regarded hetween the wars as unviable. In 1946, gross national product was half the 1913 level. By 1949 it had surpassed the pre-war level and, by 1973, it was four times higher. In the 1970s, Austria's 52 per cent rise in real growth of gross national prodncts was the highest (after Japan) in the Western industrialised world. Austrian economists like to point out that gross national product per capita in the U.S. in 1950 was 424 per cent of the Austrian figure, in 1960 215 per cent, in 1970 only 148 per cent, and by 1978 the gap had narrowed to a mere 124 per cent. During the same period Austria has also caught up with the European Economic Community countries. By 1978, the gross national product per capita exceeded tha European Community average. Even allowing for distortions caused by exchange rate fluctuations and a slightly less favourable picture in terms of purchasing power comparisons, Austria's performance is impressive.

That this high growth rate has so far combined with one of the lowest inflation rates (under 4 per cent in 1979), and with an unemployment rate below 2 per cent, is striking proof that the country once regarded as "a pathetic relic" of a great empire has become one of the world's most prosperous and stable democracies.

The success has not been due only to Austria's smallness. The basis was laid during World War II, when the political enemies of the civil disturbances in 1934 hetween Right and Left found themselves in the same Nazi concentration camps. The war and the 10-year occupation instilled a sense of solidarity into the people who took over after 1945.

The Austrian institution of "social partnership" between industrialists, farmers, unions and government was born before Austria regained independence, but has remained a pillar of stability. The strike record is the best in Europe (except for Switzerland), and the changeover from the 20-year coalition governmant in 1966 to single-party Conservative rule, and then to the present "Kreisky era" in April 1970 has not affected social stability.

The 1980s will be much more difficult. The energy crisis, sizable budget and current account deficits, and the trend towards higher interest rates will exacerbate the structural weaknesses of an overextended economy, and might even pose a long-term danger to the Schillings as one of Europe's most stable currencies.

But few doubt that Austria will weather these challenges. This is a country bordered on the East by Czechoslovakia, Hungary and Yugoslavia. As such, it is a shop window for the democratic West in Communist Eastern Europe. It is a shop window which must remain fully stocked.

Ministers gathering in Vienna

BY OUR VIENNA CORRESPONDENT

THE anniversary today of the Austrian state treaty will give an opportunity for major diplomatic contacts between Foreign Ministers of East and West. Mr. Andrei Gromyko, the Soviet Foreign Minister, Mr. Edmund Muskie, the U.S. Secretary of State, Lord Carrington of Britain and M. Jean François-Poncet of France, will be joined by the Foreign Ministers of all Austria's neighbours, from Switzerland to Hungary.

Austria's invitation to Herr Hans-Dietrich Genscher, the West German Foreign Minister, will give him a convenient opportunity to discuss with Mr. Gromyko Chancellor Helmut Schmidt's projected Moscow visit. Mr. Gromyko will be in Vienna only tomorrow, as today he is attending the Warsaw Pact summit meeting in Warsaw. As there is a formal ceremony in the Belvedere Palais where the state treaty was signed 25 years ago, followed by a formal luncheon given by the Austrian President, Mr. Gromyko will meet Mr. Muskie and Herr Genscher probably only in the afternoon and evening.

The Foreign Ministers of the four signatory powers of the state treaty — Britain, France, the Soviet Union and the U.S. — will deliver speeches at the unveiling of a memorial plaque at the Belvedere on May 16. The celebrations will last two days to enable Mr. Gromyko to participate.

Of the three signatories still living, Mr. Harold MacMillan and Mr. Antoine Pinay will go to Vienna, while Mr. V. M. Molotov, the 90-year-old Soviet ex-Foreign Minister, will be unable to attend because of ill-health.

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Sadat cuts prices, raises minimum wage by 25%

BY ROGER MATTHEWS IN CAIRO

PRESIDENT Anwar Sadat of Egypt has agreed to resume negotiations with Israel and the U.S. on Palestinian autonomy. Thia emerged during the course of a four-hour speech yesterday in which the President also announced that he was cutting the prices of basic commodities, raising wages, clamping down on religious extremists, abolishing martial law and taking full personal charge nf the Government.

He made only a fleeting reference to Government changes announced on Tuesday night in which the Prime Minister, Dr. Mustapba Kbalil, left the Government along with 11 other Miniaters including almost all those in charge of the economy.

The new Government includes an inner Cabinet of six deputy Prime Ministers. They includa General Kamal Hassan Ali who will bead the Foreign Ministry and Mr. Abdel Razek Abdel Meguid, the former Minister of Planning, who becomes economic supremo. It is not clear whether Mr. Sadat will formally take the title of Prime Minister.

Mr. Sadat was deaply pessimistic about the chances of progress in the autonomy talks before the May 26 deadline and said he had agreed to a resumption only at the personal reqnest of President Carter.

The last round of talks in Israel last week had not made any progress—the reason for Egypt'a decision to suspend the negotiations—and Mr. Sadat said the gap between the two sides was "great and formidable." But because Egypt was pledged to continue with the Camp David agreements a date for the resumption of talks would be fixed today.

Mr. Sadat announced that from today the prices of staple commodities were going to he reduced. He did not say hy how much or on wbat items. At the aame time minimum wages were to be increased hy 25 per cent and private sector workers were to get a 10 per cent increase.

Foreign trade was to be "rationalised." Social insurance was to be extended to everyone, supplementary defence taxes were to be abolished and the budgetary year was to be changed to run from July instead of January.

Well over a third of Mr. Sadat's speech was devoted to religious prohlems between the Moslem community and the Coptic Christians who form about a tenth of the population. The President accused Coptic leaders of participating in a conspiracy against him by appealing to world church leaders to come to their defence.

Israel detains Jewish extremist

BY DAVID LENNON IN TEL AVIV

ISRAELI security forces yesterday placed a Jewish right-wing extremist under administrative detention after reports that be waa setting up an underground army to attack Arabs on the occupied West Bank

The detained man, Rabbi Meir Kahane, is an outspoken advocate of driving the Arabs out of the "Land of Israel." He leads the extreme nationalist Kach movement and he and his followers have been arrested on a number of previous occasions

The U.S.-born Rabbi and one of his followers were detained under emergency defence regulations promulgated by the British rulers of Palestine in the 1940.

The move against the Rabbi, which was reported by Israel radin, appears to have been prompted by the discovery last week of an arms cache in a Jewisch theological seminary in east Jerusalem. Two Israeli soldiers were arrested.

Rabbi Kahane first came to prominence in the U.S. when be founded the Jewish Defence League which took militant action tn defend the Jews during intercommunal strife in U.S. cities. In the past decade be moved to Israel and has heen involved in various anti-Arab activities

Sanandaj recaptured from Kurds

BY ANDREW WHITLEY

IRANIAN Government forces have captured the provincial capital of Sanandaj from Kurdish guerrillas after more than a month of hitter street fighting. According to an official statement the Government side lost over 500 dead and wounded during the battle.

The Kurdish autonomists, an alliance of left-wingers and the Socialist-inclined Kurdistan Democratic Party—are believed tn he holding all the main Kurdish towns further north.

Reorganisation of the army in the aftermath of its lacklustre performance in the Kurdistan region is expected soon. Dr. Mostafa Chamran, the Defence Minister, said this would involve the purging of officers remaining from the Shab's regime and their replacement with a "real Islamic order" aa well as the introduction of Moslem political commissars.

After several premature declarations that Sanadaj had fallen, army and revolutionary guards units appear to have taken control of the city of 120,000 inhabitants on Tuesday. The remaining rebels were said to bave pulled out the previous night, although there has been no independent confirmation of the claim.

Continuing Kurdish resistance was discussed at a meeting of the National Security Council at which President Abol Hassan Bani-Sadr presided on Tuesday night.

The gravity of the situation for the Government is underlined by the fact that two of the three border crossing points from Iran to Turkey are effectively controlled by the rebels, according to diplomats.

Mr. Mugabe: reassures white farmers

Mugabe's policy put to MPs

The primary objectives of Mr. Robert Mugabe's Zimbabwe Government are in "consolidate the peace" and to proceed with "reconstruction and resettlement." Tony Hawkins reports from Salisbury. The Government's programme was outlined by President Canaan Banana yesterday when he npened the new state's first session of Parliament. He said a plan had been devised to reconstruct and improve the rural economy and this would go hand in hand with a land redistribution programme.

The President assured the couotry's 5,400 white farmers that the government would be careful to maintain the present commercial agricultural sector.

Mr. Banana promised a non-aligned stance in foreign policy.

Kinshasa payment

The central bank of Zaire has paid $58m (£26m) in fulfilment of its first obligation under an agreement made last month to reschedule $434m in uninsured syndicated credits from 122 commercial banks, writes Michael Holman, recently in Kinshasa. The amount represents all interest arrears as al January 31 and 10 per cent of principal arrears on the same date.

Morocco succession

King Hassan of Morocco plans lo revise the constitution so that his 16-year-old son, Crown Prince Sidi Mohammed, could take over immediately if his father left the scene for any reason, our Rabat Correspondent reports.

Uganda waits for Nyerere's move

BY MICHAEL HOLMAN IN NAIROBI

THE MILITARY Commission responsible for the overthrow of President Godfrey Binaisa of Uganda last night appeared to have established firm control of the capital, Kampala.

Residents said the city was quiet, with little obvious military activity, though soldiers have been posted al strategic installations including the post office, radio and television centre, and airport.

What has so far heen a bloodless coup was triggered by President Binaisa's attempt over the weekend to dismiss Brigadier David Oyite Ojok as chief of staff. But it follows rumbling discontent with the 11-month-old administration of Mr. Binaisa, successor to Professor Yusufu Lule, himself ousted from nffice in June last year, only weeks after the overthrow of Idi Amin.

Reports of corruption at senior Government level had become rife, law and order was breaking down in Kampala, and the Government has failed to restore an economy devastated under the Amin years and battered during the liberation war.

An emergency reconstruction programme had little effect and shortages of basic commodities continued against a background of three-figure inflation.

The Military Commission which has announced plans to set up a presidential commission to run tbe country, is chaired by a civilian, Mr. Paul Muwanga, wbom Mr. Binaisa had attempted to dismiss from the Cahinet earlier this year. Other members include the army commander, Maj.-Gen. Tito Okelo, Brig. Ojok, and Col. Maruru.

The military commission said that Mr. Binaisa, who is apparently being held nnharmed at State House, Entebbe, 22 miles from the capital, had been "relieved" of his position as President

It remains uncertain where authority will finally rest, given the complex mix of personality, tribal and ideological factors. But a key figure remains Dr. Milton Obote, the former President overthrown by Idi Amin, who has been living in since 1971 in self-imposed exile in Tanzania. Dr. Obote has denied any links with the conp.

He baa said that he will return to Uganda later this month but his precise plans are nnclear. Elections were due to be beld in December, hut all candidates had to stand under the umbrella of the ruling Uganda National Liberation Front.

Much will depend on the rale in the coming weeks of President Julius Nyerere of Tanzania, whose army was largely responsible for the overthrow of Amin. The 11,000 or more Tanzanian soldiers and police still in Uganda are the only effective force, and it is doubtful that recent developments could bave taken place without their support or at least acquiesence.

Hint of accord over Kampuchea

BY KATHRYN DAVIES IN SINGAPORE

MALAYSIA'S Prime Minister, Datuk Hussein Onn, has given the first official confirmation that negotiations are under way to end the diplomatic deadlock over Kampuchea.

Speaking in Singapore on Tuesday after two days of talks with that country's Prime Minister, Mr. Lee Kuan Yew, Datuk Hussein said that there had been "suggestions" by Vietnam to which the Thai Government had responded positively.

Datuk Hussein said in Singapora that the main concern of the five-nation Association nf South East Asian Nations was "the sovereignly and integrity of Thailand." Although Vietnamese troop withdrawels from Kampuchea were desirable, the stability of Thailand was nppermost in the minds of fellow ASEAN members.

Rumours have been circulating for some weeks in the ASEAN capitals that despite public intransigence over Kampuchea by Vietnam and the ASEAN governments, they were considering in private talks a solution in which the Vietoamese would withdraw some troops from Kampuchea in return for recognition by ASEAN of a pro-Vietoamese government in Phnom Penh. That would not necessarily be the present Heng Samrin regime.

Such an accord would fall sbort of last November's United Nations' resolution demanding total withdrawal of Vietnamese troops from Kampucbea. It also contradicts frequent statements by ASEAN leaders that they would not compromise on their demand for complete withdrawal.

Bangladesh disappointed at aid talks

By David White in Paris

BANGLADESH has failed at an aid group meeting in Paris to obtain the full $1.5bn (£665m), which it was looking for to embark nn a new development prngramme.

Mr. Saifur Rahman, the Finance Minister, said he was disappointed most by the response from Britain, which for the second year running had made no new financial commitment.

The aid group of 13 Western countries and five international institutions, meeting under the chairmanship of the World Bank, pledged new aid for the financial year beginning in July or about $1.3bn, the same as in the current year. The figure included $300m in food aid. In real terms, Bangladesb officials said, this meant a drop of about 15 per cent.

Mr. Rahman said he had expected a more liberal and flexible approacb to the country's aid request, particularly since the coming financial year was the first of a new five-year plan. The shortfall would force Bangladesh to rednce its targets, even in the crucial sector of rural development which was due to take up half the total development outlay.

The country's ability tn maintain democratic institutions depended to a large extent on improving the living standards of the 80 per cent of the population who were below the "poverty line."

S.African blacks accuse Colgate

BY OUR JOHANNESBURG CORRESPONDENT

THE CREDIBILITY of the U.S. multinationals' commitment tn removing race discriminatioo in their South African plants suffered a blow yesterday when a leading company was accused of refusing to deal with a black trade union.

The company is Colgate Palmolive, which is regarded in the U.S. as a "model company" in its implementation of the Sullivan principles.

These principles, which have been signed hy most U.S. multinationals in South Africa, commit employers to removing race discrimination in their plants and to acknowledging the right of black workers to helong to trade unions.

At a Press conference on Tuesday, the predominantly black Chemical Workers Industrial Union produced correspondence which disclosed that Colgate had rejected a petition signed by two-thirds of its black employees, calling on it to recognise the union. Colgate workers also alleged that advancement of black workers to skilled positions was "extremely slow."

In a letter tothe union, Colgale said: "We are opposed to the unionisation of our workforce because we firmly believe that . . no trade union can do more for our employees than we can."

Colgate also said it would require the union to meet a number of requirements, as well as gaining registration with the South African authorities, hefore entering into any discussions with it.

The union's general secretary, Miss Nombusa Dlamini, accused the company of "implicity endorsing Government policy" by demanding that the union register. Although her union has applied to the Government for egistration, it bas demanded thal it be afforded non-racial status

A company official said no comment could he made on the allegations nntil the managing director returned from boliday next week.

Ian Hargreaves in New York looks at changes in labour relations

Union chiefs in the corporate jungle

AMERICAN businessmen are not sure whether Tuesday's election of Mr. Douglas Fraser to the Chryslar board of directors is just another outrage to the philosophy of free enterprise, perpetrated by a lost company, nr a rumble of thunder which will enevtually send other top executives running for their umbrellas.

There is no dnubt, however, that Mr. Fraser would nnt be joining the board—the first U.S. union leader tn take such a step—but for Chrysler's financial woes.

He would insist, his union members are being rewarded for the extraordinary co-operation the yhave shown in the shrinking of Chrysler, the acceptance of cuts in an agreed wage contract, and the mobilisation of tha United Anto Workers' Union blunderbuss in Washington to aid Chrysler's lobbying.

There is eqnally nn donbt that most businessmen nppose Mr. Fraser's electinn. They fear that the very principle of directorial responsibility to represent all shareholders is being intruded on by a man who made it clear be was joining tha board to represent primarily his members' interests.

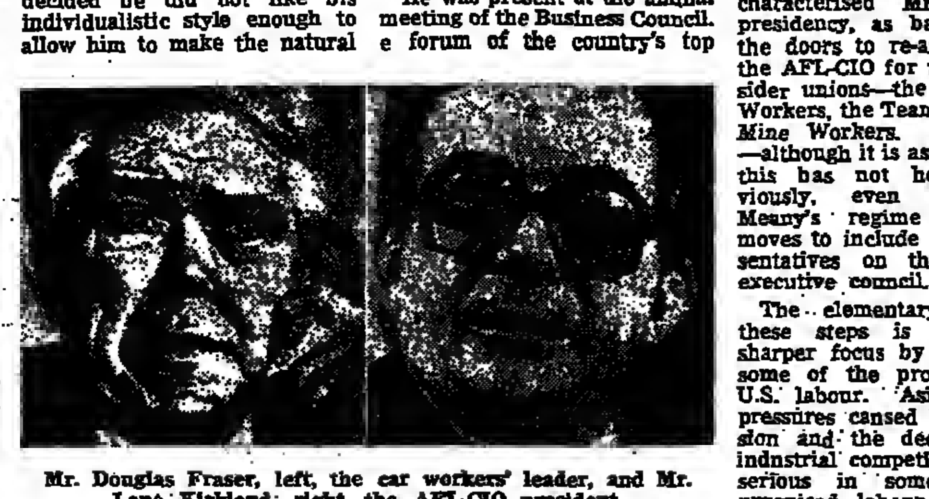
Mr. Thomes Murphy, chairman of General Motors, bas made his position quite clear: "Directors, in my jndgment, should not be elected because they represent some particular constituency. That would be the wrong way to go."

The union can claim that the company's employee stock participation plans will lead to union members becoming substantial shareholdars in Chysler. Mr. Fraser estimates bis own members will hold 15 per cent of the common stock by 1984. Other employees and retired employees, mainly white-collar, already own 30 per cent of common shares.

Mr. Fraser is rather nbviously enjoying some of the fuss. He bad an early reputation as e Socialist sympathiser, but over the years that has changed. He is thought of now less es embracing a particular political philosophy than as generally liking to be considered a front-runner in labour philosopby and straightforward wage-bargaining.

His Glaswegian origins are inaudibla in his speech, but still visible in his habit of speaking from one side of his mouth and raising his hand ss be makes a strong point. He would not look out of place on Clydeside.

More important, he will not look out of place at a Chrysler headed by Lee Iacocca, e man fired by Henry Ford from the Ford presidency beesuse Ford decided be did not like bis individualistic style enough to allow him to make the natural



Mr. Douglas Fraser, left, the car workers' leader, and Mr. Lane Kirkland, right, the AFL-CIO president.

progression to the chairmanship. Mr. Fraser and Mr. Iacocca, by all acconnts, have become close personal friends.

The sense of social and political mission in Mr. Iacocca's chairmanship nver the past six months bas gradually become an essential component of his morale-raising chorus about the dawn of "the new Chrysler." So it was nn surprise to hear him at Tuesday's annual meeting backing the union's position on restricting Japanese car imports to the U.S. on the grounds that the U.S. industry is vulnerable because it stands "on the cutting edge of change" of U.S. society.

That rhetoric may be overstated, bnt the U.S. lebour movement is undergoing changes both at the top and at the grass roots. The problem is thet it is still far from clear whether these currents of change are moving in the same direction, or whether anyone has the strength and vision to make them dn so.

The man on whom this task naturally falls is Mr. Lane Kirkland, now in bis sixth full month as president of the American Federation of Labour—Congress of Industrial Organisations (AFL-CIO).

Mr. Kirkland, who inherited the mantle held gruffly and some feel stiflingly for a quarter of a century by Mr. George Meany, has himself mada a small piece of histnry in tha last week.

He was present at the annnal meeting of the Business Council, e forum of the country's top executives, at The Homestead, a select hotel in the lush hills of Virginia.

"What's e trade uninn leader doing in a non-union botel, in a Right to Work state, talking to the Business Council?" asked nne reporter. (Several states, particularly in the South, bave passed "Right to Work" laws making the closed shop illegal.)

"I don't believe that the trade union movement is well served when those who represent it talk oul yto themselves. It gets a little boring. It's too easy to reach agreement," be replied.

In his private session with the council, he said, he hed offered a history of the labour movement, its philosophical objectives, the benefits of the adversary process in bargaining, and the degree to which the adversary pose could be dropped in issues of mutual concern between lebour and business.

This is hardly revolutionary stuff to European ears, and indeed one was struck by the very naivety of Mr. Kirkland's first principles approach.

But it does signal a willingness to meet nn common Kirkland is looking beyond his national accord with Mr. Carter'e Administration on wage and price restraint to a modus vivendi with a Republican Administration, should that come tn pass in November.

This is all part of the bridge-building style which bas so far characterised Mr. Kirkland's presidency, as ba has npened the doors to re-affiliation with the AFL-CIO for three big nutsider unions—the United Anto Workers, the Teamsters and the Mine Workers. He bas also—although it is astonishing that this bas not heppened previously, even during Mr. Meany's regime — supported moves to include female representatives on the AFL-CIO's executive council.

The elementary nature of these steps is thrown into sharper focus by the scale of some of the problems facing U.S. labour. Aside from the pressures cansed by the recession and the decline in U.S. indnstrial competitiveness, now serious in some industries, nrganised labour is suffering from declining infinence because of tha drift of jobs and industrial power from the north-east and mid-west to the sunbelt states. Only 24 per cent of non-agricultural workers belong to a union, and in states which possess Right to Work laws the ratio is 8.9 per cent.

Deep differences exist over key areas nf policy. Mr. Kirkland, for example, is lukewarm, to say the least, abont nnion leaders joining boards. There is nq agreement on protection against imports, nr on broad economic policy. There is also the question of bow to channel the shopfloor interest in "quality nf work" schemes, an idea borrowed from the Jepanese, which entails worker committees suggesting improvements in working practices.

In justifying his presence at The Homestead, Mr. Kirkland commented: "When you're a missionary, you bave to go out into the jungle." For Mr. Kirkland's presidency, there are many more jungles than the one containing chief executives in smart botels.

Appeal to avoid formal curbs on Japan TVs

By Guy de Jonquieres

THE SUBSTITUTION nf formal EEC restrictions for existing voluntary restraints on UK imports of Japanese televisions and music centres would be "a tragedy," said Mr. Brian Reilly, chairman of the British subsidiary of National Panasonic of Japan.

He told the Radio Industries Club of Scotland that the existing arangements, negotiated Between British and Japanese manufacturers, had worked well and were based on fruitful co-operatinn and mutual trust.

It would not be in the interests of either side if this relationship were discarded in favour of formal EEC curbs of the kind which the European Commission is being urged to consider by some Continental television manufacturers.

The volume of direct Japanese colour television exports to the EEC had often been exaggerated and amounted to only five per cent of total sales. Sets made in Japan also cost more than those made in the UK.

The proportion of European-vision tubes made in Japan was about 20 per cent. But Mr. Reilly suggested that European set manufacturers were deliberately not buying all their tubes from European companies because they wished to avoid giving them a monopoly over supplies.

Daimler Benz and MAN plan Turkish motor plants

BY METIN MUNIR IN ANKARA

TWO W. GERMAN companies, Daimler Benz and M.A.N., are reported to have separately submitted plans to the Turkish authorities for the manufacture of diesel engines and commercial vehicles in Turkey, a senior urkish official said here.

Both Daimler Benz and M.A.N. have investments in Turkey's motor sector as joint ventures with local private companies. Daimler Benz has been running a bus assembly plant in Istanbul for several years. It bas a 36 per cent share in the factory which last year prodnced just over 900 buses.

M.A.N. already has a truck end bus assembly plant in Turkey and its diesel engine factory would complement these existing operations. It has a 33 per cent interest in the present assembly plant and a similar share can be expected in the engine plant which is likely to involve a total investment of some DM 50m (£12m).

Details of the new projects are scant thnugh Daimler Benz is reported to be considering an annual capacity of between 25,000 and 30,00 engines.

Meanwhile the Turkish Government is also understood to be considering the manufacture of diesel engines under the umbrella of the wholly state-owned TUMOSAN company. It is also considering the sale of part of TUMOSAN's shares to the private sector both to bring the private and public sections together and to attract foreign capital.

Coming after the disclosure nf Citroen's plans to build a car factory in Turkey, at an estimated cost of between $500m and $900m, the West German projects seem to indicate the beginning of a revival in international business interest in Turkey.

Ford van sales jump in Europe

BY OUR INDUSTRIAL STAFF

FORD CLAIMS that sales of it commercial vehicles in Europe reached a record of 53,500 during the first quarter of 1980.

This was a 19.4 per cent increase on the same period in the previous record year, 1973.

Ford maintains that this performance made it the top-selling commercial vehicle manufacturer in Europe with a 15.1 per cent share of tha total market.

In March alone, with sales of 19,100, Ford set another record beating by 10.4 per cent the previous best-ever monthly total—achieved in May, 1979.

The Ford figure covers 15 countries, and Mr Alex Trotman, vice-president of truck operations said: "Although we can foresee a general slow-down in the European merket later in the year, demand for our products is strong."

Ford's strength in the commercial vehicle field is at the lighter end of the market. The Transit van, in particular, gives a big boost to unit sales.

In the first quarter sales of the Transit, mede at Amsterdam and Dagenham, totalled 34,500 units, a 31 per cent improvement on the record 1979 three-month figures. The vehicle captured 19.6 per cent of all medium commercial sales and making the Transit the best seller in this segment.

Procurement talks head for stalemate

By Richard C. Hanson in Tokyo

U.S. AND JAPANESE trade officials are unlikely to reach any solution on the issue of opening the giant Nippon Telegrapb and Telephone system to procurement of foreign-made products during bilateral trade talks which end today.

The U.S. side so far reports no progress on the NTT procurement problem. They warned that Japanese companies could be excluded from bidding for U.S. Government contracts if a solution is not found in the next seven month. Jepan et present holds a small share of those contracts.

Officials said that the Japanese Government is preparing to announce a "package" of steps aimed at resolving the motor trade controversy.

The American side, bowever, still expressed strong dissatisfection with the attitude of some of the major Jspanese motor companies toward building plants in America. Toyota was singled out as being "totally insensitive" to the political pressures building up in the U.S.

Volvo go-ahead seen for Peru

BY DOREEN GILLESPIE IN LIMA

PERU HAS shortlisted Volvo of Sweden to assembla beavy trucks here under the Andean Pact agreement with Bolivia, Ecuador, Colombia and Venezuela to develop a regional motor industry. Renault of France is listed in second place shsould the negotiating commission for any reason fail to reach final agreement with Volvo.

Volvo, bowever, has lost its bid for tbe medium-size truck project for which it was also bidding end which is expected to be allocated to Ford or General Motors. Volvo, which hae already been assembling heavy-dnty trucks in Peru for the past ten years, is to continue tn build its 19-ton N-12 model.

There are currently some 10,000 Vnlvo trucks and buses on the road. Assembly last year totalled 818 vehicles with Volvo also exporting n a small scale to Bolivia, Chile and Colombia. The company is expected to invest another $160m in Peru in addition to existing investment in a forge and foundry and a Peruvian diesel engine company which supplies the assembly plant.

Peru previously shortlisted Volkswagen to assemble the Passat in Peru as well as a medium-size truck for the Andean Pact programme under which Peru has been assigned assembly of two medium-sized passenger cars, two medium-sized trucks and a heavy duty truck. The deadline by which the Andean Pact countries have to select the models they are to assemble bas been continually postponed. The latest date set is end-May.

Shipping deal irks Danes

BY HILARY BARNES IN COPENHAGEN

THE ASSOCIATION of Danish Shipowners has protested sherply against what it claims is a protective shipping clause in e crude oil contract between a Danish state corporation and the Saudi authorities.

The contract inclndes a clause wbich gives the seller—in this case the Sandis—a preferentiel right to use ships owned by the selling nation if the economic and other conditions offered by the Saudi Arabian owner are comparable with conditions offered by other owners.

The Danish shipowners say thet this is a breach of the liberal shipping policy whicb bes been pursued by Danish Governments since the last century.

But Mr. Poul Nielsson, the Energy Minister, who was in Oslo earlier this week, was qnoted here as saying tbat the clanse was a standard one in all Saudi contracts for nil sales to private companies, and as the Seudi Arablans do not have sufficient tanker capacity it was unlikely to have mucb practical significance.

Japan, Mexico in steel study

By William Chislett

THE NEW Iron Resources Development Company (NIRDC), which represents 95 per cent of Japan's raw steel producers, bas ewerded a contract to Mexico's private steel company, Hylsa, to draw up a feasibility study on establishing a 600,000 tons o year steel mill. Hylsa developed the direct reduction process

The study will decide where the mill should be sited—since Mexico has abundant natural gas supplies the mill could be located here.

Carter and Reagan could secure party nominations this month

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

BOTH President Jimmy Certer and Mr. Ronald Reagan could ba assured of the Democretic and Republican perty Presidential nominations before the mlimetic round of primary electinns on June 3.

This seemed likely in the wake of their convincing wins over Senator Edward Kennedy and Mr. George Bush in Tuesday's primaries in Maryland and Nebraska.

In both states, Mr. Carter beat Mr. Kennedy by identical 47-38 per cent margins. In Maryland, where Mr. Carter bad been embarrased by California Governor Jerry Brown in the 1976 primary, Senator Kennedy only carried the counties adjacent to Washington.

Mr. Carter's delegate haul in the two states of 46, versus 36 for the Senator, now gives him, according to most counts, well over 1,500 of the 1,666 needed for the nomination, compared with just over 800 for Mr. Kennedy.

On the Republican side, Mr. Reagan carried Maryland by 48 per cent to Mr. Busb's 41 per cent and normally ultra-conservative Nebraska by an overwbelming 77 to 16 per cent. His 40 delegetes bring him up to nearly 900 of the 998 needed, compered with only about 180 for Mr. Bush.

There were warning signs for both frontrunners, however, of public disaffectinn over the choice of Presidential candidates likely to be on offer in November. Turnout was not high, the uncommitted vote in both states ran at abont 10 per cent and in Maryland, Mr. John Anderson, the independent candidate, scored about 10 per cent on the Republican ballot, in whicb his name appeared in spite of his withdrawal from the party race.

Next week, the primaries move to Oregon, where both Mr. Kennedy and Mr. Bush campaigned yesterday, and vide a further 180 Democratic Michigan, which together provide a further 180 Democratic and 101 Republican delegates. On May 27, the battlegrounds are in Arkansas, Idaho and Kentucky, with a total of 112 Democratic and 84 Republican delegates at stake.

In most of these six states, Mr. Carter and Mr. Reagan are favoured, and it seems a near certainty that Mr. Reagan in particular, will bave his nomination secured by then.

It also seems as though the two leaders will bave a free ride on June 3, the biggest primary day of tha year, with California, New Jersey and Obio beading the list of nine primaries.

A Los Angeles Times poll yesterday fnund that, in California, Mr. Reagan led tha President by just 47 to 43 per cent in a straight fight, but that in a race, including Mr. Anderson, Mr. Reagan had 10 per cent against only 28 per cent for Mr. Carter and a surprisingly high 27 per cent for Mr. Anderson.

Murdoch denies U.S. loan irregularity

By David Buchan in Washington

MR. RUPERT MURDOCH, the publishing magnate and entrepreneur, has told a U.S. Senate committee that there was absolutely no connection between a low interest U.S. Government loan to an Australian airline he nwned and a political endorsement of President Jimmy Carter by the New Ynrk Post, another part of the Murdoch empire.

Mr. Murdoch said the Post's endorsement "was totally unrelated to any matter beyond the merits of the candidates." But he conceded it was unfortunate timing for him to have met the president of the Export-Import Bank, Mr. John Moore, in Washington last February nn the same day as he had a "political" lunch with President Carter.

Mr. Murdoch was the last witness to appear before the two-day Senate Banking Committee hearing. The committee chairman, Senator William Proxmire, said at the outset and conclusion of the hearing that there was no firm evidence suggesting that the $290m loan to Ansett Airlines — to buy U.S.-made Boeing aircraft — was politically motivated.

But the hearing, which as Senator Proxmire put it centred nn a curious "series of coincidences," did focus criticism on the role of the Exim Bank's president. It also provided an unusual opportunity for some Senators to tell Mr. Murdoch what they thought of his brand of "British - style smear journalism."

Senators Donald Riegle and Adlai Stevenson repeatedly referred to the Post's recent investigations of aspects of the lifa of Senator Edward Kennedy.

The Senators complained that the Post's racy tabloid approach to U.S. politics and politicians was something new in American life, and clearly as liberal Democrats they were inclined to take Senator Kennedy's side on reading stories headlined "Ted's Secret Parties."

Mr. Murdoch retorted that even if this was "a smear job, it had no connection with the affair under discussion here today."

Mr. Murdoch and Mr. Moore both claimed that the terms of the Exim loan to Ansett—at an average 8.1 per cent it was lower than previous aircraft purchase credits by the bank—were dictated by the need to match or better the very good credit offered by the European consortium trying to sell the Airbus to Ansett.

Venezuela claims $240m oil tax

BY KIM FUAD IN CARACAS

THE VENEZUELAN Superinr Income Tax Tribunal announced on Tuesday that it bas approved controversial claims against Exxon and Mobil for $240m (£106m). The claims form part of a package of over $600m in back taxes lodged in 1976 by the Venezuelan comptroller-general against more than 30 foreign oil compsnies which operated in Venezuela before the nationalisation of the oil industr yin 1976.

It is understood tha income-tax court's decision will be appealed before the Venezuelan Supreme Court by the companies.

Earlier this year, a smaller foreign oil company, American Petrofina, took the comptroller-general's claim against it to the Supreme Court, where it lnst its appeal due to procedual irregularities and was ordered to pay over $27m in back taxes. But other oil companies affected by the claims expect their cases will be decided in their favour by the Supreme Court.

The cmmptroller-general's claims are based on a controversial interpretation of a 1970 tax reform which insists the companies pay retroactive taxes for 1970 based on price increases announced for 1971.

The claims bave seriously affected relations between Venezuela and tha companies which once operated in the country and still purchase about half Venezuela's 1.8m barrels per day exports.

In the past, tax claims have been settled through negotiation, with oil companies usually paying about e third. In 1966, the companies settled $500m tack tax claims with a $150m payment.

Cuba blames CIA in Bahama gunboat row

By Nicki Kelly in Nassau

THE CUBAN Government has claimed the U.S. Central Intelligence Agancy was involved in the sinking of a Bahamian naval vessel by Cuban jet fighters last weekend after it had seized two Cuban fishing boats for fishing ln Bahamian waters.

Sr. Isidoro Malmierca, the Cuban Foreign Minister, said in a message to the Bahamas Government that the CIA bad instigated the attack to create conflict between Cuba and the Bahamas. A high-ranking Cuban delegation was to have returned tn Nassau on Tuesday for a second round of talks to settle tensions over the incident but Sr. Malmierca transmitted the text of an editorial from the Cuben party newspaper tn the Bahsmian euthorities instead, saying it constituted the official Cuban position.

Charles Batchelor analyses Dutch trade with Indonesia

Close links in spite of tensions

BUSINESSMEN AND trade officials in the Netherlands are hoping that the first visit by a Dutcb Prime Minister to the former colony of Indonesia will boost trading links between the two countries. Mr. Dries Van Agt and his Foreign Minister, Mr. Chris Van Der Klaauw, have recently completed what they described as a highly successful round of talks with Indonesian leaders.

The 30 years of Indonesian independence, coming after 350 years nf Dntch colonial rule, have not been marked by barmony between the two countries. Good relations bave been bampered by numerous incidents following the withdrawal of the Dutch under United Nations and U.S. pressure in 1949.

The most spectacular of these in recent years were the efforts of a minority of the South Moluccan community in The Netherlands to draw attention by a series of hostage-takings to their claim to independence for their homeland from Indonesia. Both Governments now take the view, however, that the South Molnccan issue is an internal Dutch problem.

Despite these and other tensions, the Netherlands is one of Indonesia's largest trading partners and its most important export market in Europe. There is little doubt, though, that the delicate political relations, combined with a number of economic factors, have curbed Dutch trade with an enormous potential market. Indonesia's 140m inhsbitants make it the fifth most beavily populated country in the world.

The delicacy of Dutch links with its former colony is emphasised by the caution with which both sides approach a discussion of the issue. Dutch officials preferred their comments to be off the record while Algemene Bank Nederland, which has close business contacts with Indonesia, was unable to provide an official to comment on trade questions.

The Netherlands accounts for about 4 per cent of Indosian imports and, after Japan, the U.S. and West Germany, is the most important source of supply. It is followed closely by Australia, the U.K. and France.

Dutch exports consist largely of machinery, diesel motors, chemical and pharmaceuticals and dairy products such as milk and cream. It also supplies telecommunications equipment, aircraft and ships, though these large orders tend to distort the underlying pattern of a slow but steady growth of exports.

The Netherlands takes about 10 per cent of Indonesie's exports though it is once again a runner-up to Japan and the U.S. and is closely followed by West Germany, Italy and Australia. It is traditionally a customer for coffee, cattle faed, tobacco, vegetable oils and fats, rubber, tea, spices and wood.

DUTCH INDONESIA TRADE

Year	Exports from Indonesia (Fl millions)	Exports to Indonesia (Fl millions)	(Fl millions)
1975	314.3	408.5	+94.2
1978	403.7	476.3	+72.6
1979	527.9	408.8	−119.1

Source: The Netherlands Central Statistical Office

Between 1970 and 1976 the Netherlands moved from a small deficit in trade with Indonesia to increasing surpluses culminating in a surplus of just over Fl 200m (£44.2m) in 1976. Import curbs reduced the volume of exports and size of the surplus in 1977, while the surprise 33.6 per cent devaluation of the rupiah in 1978 increased the pressure on Dutch and other exporters in that year.

Tha long transport route which pushes up freight charges is a major obstacle to Dutch companies, said Miss Koestarinak Soenarpo, trade attache st the Indonesian embassy in The Hague. The Japanese have made good use of Indonesia's proximity and nf aggressive marketing to build up a dominating position. Some Indonesians feel Dutch businessmen are not active enough, though Dutch trade officials deny this.

The problems facing Dutch exporters are not unique to trade with Indonesia. High wage and social security costs bava priced Dutch prodncts out of many markets to the growing concern of businessmen and Government alike. In the area of food and dairy prodncts Australia is a formidable local competitor while Japan and increasingly India are low-cost competitors for machinery and other sopbisticated products.

Indonesia's third five-year development plan places a strong emphasis on tha development of local indnstry. While the agricultural sector is planned to expand by 3.5 per cent annually industry must grow by 11 per cent a year, the building sectnr by 9 per cent and transport and communications by 10 per cent.

The emphasis, therefnre, has switched to investment locally and away from exports. Indonesia has streamlined a relaxed procedure for approving foreign investment, but the controls which are still exercised and the general rule that only joint ventures with a maximum foreign shere of 49 per cent are permitted are seen by soma businessmen as a deterrent.

The Netherlands ranked fifth in tha table of foreign investors in Indonesia in 1978 with spending nf $230m. This meant the Dutch were the foremost European investors in thet year, exceeded only by Japan, the U.S., Hong Kong and the Philippines. More than 70 Dutch companies are established in Indonesia including such Dutch multinationals as Philips, Unilever and Shell as well as companies involved in the construction industry, brewing, coatings pharmaceuticals end food processing equipment.

The Netherlands has maintained firm links with Indonesia by means nf its chairmanship of IGGI — the intergovernmental group on Indonesia. This consists nf a number nf industrialised countries in Western Europe, Japan, the U.S., Australia and Canada as well as organisations euch as the Wnrld Bank the UN and the Asian Development Bank, which agree an annual aid programme for Indonesia.

The IGGI members met again in Amsterdam last week to discuss aid for the next 12 months and agreed on an increase in aid to $2.1bn this year. The Netherlands contributed $75m of the $1.9bn donated in the form of grants and soft loans in 1979-80.

Building societies' receipts up again

BY MICHAEL CASSELL

BUILDING SOCIETY receipts rose in April to their highest point for six months, although mortgage advances continued to run well below the level necessary to meet demand.

Net receipts last month climbed to £266m from the March total of £200m—the highest level achieved since October, 1979, when they reached £544m, according to the Building Societies Association.

The societies also received £314m in mortgage repayments, which is available for relending. At the same time £136m in interest was credited to investors' accounts.

The net inflow of funds remains far short of prevailing mortgage demand and the societies' difficulties in supplying the mortgage market have been exacerbated by the recent increases in house prices.

In the first four months of 1980 they edvanced £2.66bn to homebuyers, a near-repeat of the early 1979 performance, but house price inflation saw the actual number of loans fall from 244,000 to 203,000 between January and the end of April compared with the same period last year.

The improvement in receipts last month will, however, be welcome news to the societies who believe that their competitive position should have improved now that the impact of the 19th issue of National Savings Certificates is wearing off.

Commenting on the April figures, Mr. Norman Griggs, secretary-general of the Building Societies Association, said: "The societies, like so many other sectors of the economy, are anxiously waiting for the general level of interest rates to fall. This will make their own investment rates more competitive and shorten the queuea of would-be home buyers."

Last month the societies managed to advance £676m to house purchasers against £709m in the previous month. At one stage last year monthly advances reached nearly £850m.

In April a further £756m was promised to mortgage applicants compared with £819m in March. At the end of last month, the societies were committed to lend £2.03bn to borrowers.

No special funds for council tenants

BY ANDREW TAYLOR

BUILDING societies are unlikely to set aside apecial funds for council house tenants to buy their own homes.

Mr. Leonard Williems, chairman of the Building Societies Association told a Commons select committee on Tuesday that such a move would be inapprpriate. Societies bad insufficient funds to met existing mortgage demand, but council house tenants could expect the same consideratin as other building saciety investors seeking loans.

The Government has said it expects at least 30 per cent of the nanfice to enable council tenants to buy their own homes to be provided from outside the public sector. Under proposed legislation council tenants will have the right to a local authority mortgage.

Mr. Williams said any increaae in building society lending for council house purchases would mean fewer loans for other house buyers, higher mortgaga rates, or both.

One way of ensuring adequate funds would be for societies to charge competitive interest rates. Mr. Williams estimated that the recommendad mortgage rate might have to rise by three or four points above the present 15 per cent if societies were to meet a high proportion of additional borrowing from council tenants.

Any further risa in the mortgaga rate was out of the question unleas there waa further increase in interest rates generally.

Instead, building societies have indicated that their rates are likely to decline at a slower pace when other rates fall.

Deloitte at top of accountancy 'league'

BY ROBERT COTTRELL

DELOITTE, HASKINS AND SELLS has risen to challenge Peat, Marwick and Mitchell as the largest British accounting practice, according to figures prepared from fee income by the Financial Times Business Information Service. Deloittes climbs from third ta equal first, while Ernst and Whinney slips back from last year's second place to third.

The table is a better indicator of broad bands than precise rankings. Estimates had to be used in several cases where practices declined to supply income data. A number of practices edged their fee totals upwards—and in one case downwards—after being shown the table in draft form.

These top 20 firms account for fees totalling about £400m. More than half is spoken for by the top half-dozen, and total receipts are £100m ahead of last year. The growth is particularly pronounced among smaller firms. Fee income is up 25 per cent at Peats, more than 50 per cent at Spicer and Pegler, and 44 per cent at Stoy Hayward.

The dominance of the big eight firms is broken only by Thornton Baker, which announced this month that it will be founding a joint international company, Grant Thornton International, with the U.S. firm Alexander Grant. Thomson McLintock is part of KMG, the European federation rapidly overtaking most of the eight in international income.

The smaller firms achieve the higher fee income per professional staff member. Based only on those figures supplied by the firms themselves, the top 10 average £13,800 fee per professional capita. The second 10 earn an average £14,500.

BRITAIN'S TOP TWENTY ACCOUNTANTS BY FEE INCOME

	Partners	Professional Staff	Staff-Partner Ratio	Total Professional Staff	Fees* £m
Peat Marwick Mitchell	158	2,831	17.92	2,989	40
Deloitte Haskins & Sells	219	2,715	12.39	2,934	40E
Ernst Whinney	200	2,600	13.00	2,800	38.3E
Price Waterhouse	131	1,928	14.72	2,059	30+
Coopers Lybrand	167	2,026	12.13	2,193	30
Touche Ross	153	1,650	10.78	1,803	26.8
Thornton Baker	213	1,912	8.98	2,125	25.4
Arthur Andersen	85	1,180	13.88	1,265	20+
McClelland Moores	96	1,400	14.58	1,496	20
Arthur Young					
Thomson McLintock	121	1,327	10.96	1,448	19.2E
Spicer and Pegler	85	1,003	11.8	1,088	16.6
Binder Hamlyn	115	971	8.44	1,086	15
Pannell Fitzpatrick	104	840	8.08	944	13.9E
Josolyne Layton Bennett	110	750	6.81	860	11.9E
Robson Rhodes	59	577	9.78	636	9E
Neville Russell	58	475	8.19	533	7.9E
Kidsons	96	516	5.38	612	7.5
Dearden Farrow	61	390	6.39	451	7
Stoy Hayward	31	406	13.10	437	6.5
Hodgson Harris	26	345	13.27	371	5.4E

KEY: * net of recoverable expenses. E estimate.

Source: Financial Times Business Information

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
AKZ C	F.22.e0	1	2.50	25	e.20	—	—	F.24.10
AKZ C	F.25	417	0.90	55	1.90	30	2.20	"
AKZ C	F.27.50	10	0.40	241	0.90	—	—	"
EK C	$4e	—	—	5	2½	—	—	$52⅝
EK C	$50	6	4½	—	—	—	—	"
HEN P	F.e2	8	0.70	—	—	—	—	F60.10
HO C	F.17.50	—	—	10	1.50	—	—	F.16.30
KLM C	F.60	10	e.20	—	—	—	—	F.62.40
KLM C	F.70	7	1.20	—	—	—	—	"
KLM C	F.80	9	0.30	5	1.10	—	—	"
KLM P	F.60	—	—	e	5	—	—	"
NN C	F.110	10	8.50	—	—	—	—	F.117
NN C	F.11e	—	—	10	6	—	—	"
NN C	F.120	18	1.60	1	3.60	—	—	"
NN P	F.115	5	2.80	—	—	—	—	"
PET C	Fr.6000	2	150	e	350	—	—	Fr.5580
PET C	F.6000	1	70	1	165	—	—	"
PET C	F.6500	—	—	4	100	—	—	"
PHI C	F.15	1	3.20	—	—	—	—	F.16
PHI C	F.17.50	1	1.30	50	1.80	—	—	"
PHI P	F.20	92	0.30	10	0.50	10	1	"
PHI C	F.17.50	—	—	2	0.90	—	—	"
PHI P	F.20	—	—	2	2.10	—	—	"
PHI P	F.22.50	1	4.10	—	—	—	—	"
PRD C	$25	—	—	7	e¾	—	—	$24½
PSA C	F.220	—	—	3	12	—	—	F.213
RO C	F.140	12	e2.40	11	26	—	—	F.152.90
RO C	F.14e	14	16.30	1	20	—	—	"
RO C	F.150	855	12.70	60	15.50	1	14.50	"
RO C	F.160	1005	4.60	320	7.20	174	8.50	"
RO C	F.170	1215	1.70	548	3.10	—	—	"
RO P	F.140	173	1	80	3.40	—	—	"
RO P	F.145	1e1	2.20	—	—	—	—	"
RO P	F.150	155	4.50	16	7.30	—	—	"
RO P	F.160	9e	8.60	30	13	—	—	"
RO P	F.170	30	16	—	—	—	—	"
UNI C	F.110	—	—	—	—	7	9.50	F.112.50
UNI C	F.120	—	—	—	—	2	3.50	"
XRX C	$50	3	e½	—	—	—	—	$52
		May		Aug.		Nov.		
BA C	$35	—	—	1	3½	—	—	$54½
BA C	$40	—	—	4	1½	—	—	"
BAS C	DM.130	—	—	2	16.50	—	—	DM145.50
BAS C	DM.140	—	—	—	—	2	10	"
BAZ C	$30	—	—	1	5	—	—	$34¼
SLB C	$70	6	38½	—	—	—	—	$108
SLB C	$110	32	½	7	7¼	8	12½	"
SLB C	$120	—	—	37	2½	7	6¾	"

TOTAL VOLUME IN CONTRACTS 6125

C=Call P=Put

Crewmen taken off damaged oil platform

Financial Times Reporter

SOME 40 men in a rew of 260 bave beeo taken off the North Sea Thistle A oil platform after routine maintenance inspection revealed a crack in the supporting strut of an accommodation unit.

Production from Thistle, where British National Oil Corporation is operator, will not be affected.

The crack involves a subsidiary unit put on the platform to accommodate an extra 40 or 50 men who could not be boused in its main unit. Most work at fitting and commissioning injection equipment.

The problem, regarded as minor, may be due to a faulty weld or structural weakness.

Repairs to the Thistle Field's pipeline, severed last month, are expected to end soon. Since the breakage the oil bas been loaded into tanker offshore at a rate now averaging more than 100,000 barrels e day.

Fall in demand for furniture 'likely this year'

By Gareth Griffiths

THE BRITISH furniture industry is likely to face a fall in demand of between 5 and 7 per cent this year with little chance of recovery for most of next year.

This forecast is contained in a report by stockbrokers, Phillips and Drew. It says companies producing cheaper furniture have suffered more from the drop in demand. Manufacturers at the bottom eod of the market bave experienced aome short-time working and order books across the hoard appear to ha shortening.

The decline in furniture deliveries and production follows a period of fairly high growth for the furniture industry in the 1970s. The sector expanded by about 30 per cent, well ahead of the general increase in consumer spending.

Carpet manufacturers also face another difficult year, according to the report.

Fox tweed mill closure may hit 120 jobs

By Elaine Williams

UP TO 120 jobs canld be lost due to the closure of the William Bliss and Son tweed mill in Oxfordshire owned by Fox Brothers.

High inflation and the strong pound has made it difficult to forecast the future for the mill which is selling in a highly competitive market, Mr. Buck, the managing director, said yesterday. So the company has decided to concentrate cloth production at the Fox Brothers factory in Somerset, which employs 350.

William Bliss, wbich exports 75 to 80 per cent of production hopes that by reducing its unit cost it will improve its competitiveness and develop new fabrics and designs.

Chess draw

MAXIMUM points were scored by Mr. R. Johannes (Grievson, Grant and Co.) and Mr. F. Parr (R. Nivison and Co.) when the London and Amsterdam Stock Exchange chess clubs drew their 44th annual match 8-8 in Holland.

Record auction week for Impressionists

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY Parke Bernet held the most successful and importaot auction of Impressionist paintings io New York on Mondey since the Goldschmidt sale in London in 1958. On Tuesday Christie's in New York organised the greatest auction of paintings ever.

To add flavour to the competition the 41 paintings sold by Sotheby's for $14,335,000 (£6.5m) bad been collected by Bernice Chrysler Garbisch, daughter of the founder of Chrysler Motors, and her husband and the 10 paintings which Christie's disposed of for $18,390,000 had been collected by Henry Ford II.

The highlight of a remarkabla sale at Christie's was the $5.3m which sacured "Le jardin du poete, Arles, painted by Vao Gogh in 1888 to decorate Gauguin's room. It was an auction record for the artist, beating the $1.8m bid at the Southeby aale the previous night for Portrait of Adelioe Ravoux, and just missed approaching the auction record for any paintiog, or indeed work of art at auction, the £2,310,000 paid for a Velesquez portrait. It was rumuored in New York yesterday that the buyer of the Van Gogb was Stavros Niarchos, the Greek shipping tycoon.

The best achievement at Sothbey Parke Bernet was the $3m paid by Yamamoto, a Japanese dealer, for Picasso's Saltimbanque saated with arms crossed, a work of 1923 in the artist's "classical" style. It was a record for e Picasso and for any 20th century painting and will bang in Tokyo's Bridgestone Museum.

A feature of both auctions was that all lots found buyers. At Christie's there were five more ertsts records in addition to the Van Gogb Paysan en blouse bleue by Cézanne went for $3.9m, as against a previous hest of $1.4m; La plage au pbuldu by Gaugin fetched $2.9m (again beating a bigh established just a day earlier at Sotheby's, the $1.8m paid by ao Argentinian collector for Gauguin's Tahitian women under the palms); Etude de nu by Degas sold for $900,000; Nudo Seduto by Modigliani raised $600,000; and a typical Boudin of 1867, La plage, realised $480,000.

The four other pictures sold at Christie's were another Van Gogh painted at Arles, Le jardin public, which realised $1.9m; Reooir's Le Serre, which fetched $1.2m; Tete de femme by Picasso, wbich raised £660,000; and Portrait de Guillaudin à cheval by Manet, which fetched £650,000.

The high prices, well above forecasts, reflect the attraction of works of art in a period of political and economic uncertainty. But the paintings are generally regarded as some of the finest of the Impressionists and it will be some time before comparable works appear on the market. The prices very much reflect inflation. Paintings by Van Gogh and Cézanne have fetcbed more in private sales (although the Picasso price is believed to be a record) and if works by Old Masters came up for auction they would undoubtedly sell for more: but they are mostly in museums.

Warning over Stock Exchange rules case

BY ANDREW FISHER

THE INVESTIGATION of tha Stock Exchange's rule hook by the Restrictiva Practices Court could take three or four years to complete, Mr. Nicholas Goodison, chairman of the exchange, said in its annual report.

"We have a long road to travel before we reach the court," he commented. It was proving hard to match the changiog needs of the market with the narrow requirements of the law.

The court is not expected to start its bearings until 1982 or 1983. It will be looking to see if the separation between hroker and jobber and stockbrokers' fixed minimum commissions are illegally restrictive.

Government amendments to the relevant legislation meant that the Stock Exchange's practices would not immedietely become void if the court was not convinced they were in the public interest, Mr. Goodison said.

There waa also an appeals mechanism and time to restructure, if necessary. The exchange could now argue the benefits of the jobbing system—basically the wholesale end of the share market—before the court.

The outlook for the individual investor eppeared to be better than it had been for some years. Many of the barriers wbicb had put off potential investors bad now been removed or modified.

The removal of exchange controls would lead to more integration of UK and other world markets. "It will be a world in which the Stock Exchange must compete for its potion."

Although the burden of the investment income surcharge had been lessened, it was still an unfair feature of the tax system.

Tbe report shows that turnover in unlisted securities during January—the exchange is studying suggested changes to its December proposals covering these—totalled £16m, or 3,607 transactions, a sbarp increase on previous levels.

Naphtha contract price falls

By Sue Cameron, Chemicals Correspondent

FIGURES published yesterday by five European chemical companies shewed that they pay an average contract price of $351.21 a tonne for naphtha, the oil-based raw material vital for petrochemical production.

The companies, Imperial Chemical Industries; the French Rhône-Poulenc; the West German groups Bayer and BASF; and the Dtuch DSM, started publishing their average contract naphtha prices in January.

The aim of price-reporting is to counteract the effect of spot market prices on contract prices.

The average contract price given yesterday covers a volume of 1.953m tonnes.

The $351 figure is less than the average contract price paid by the five for the first three months of this year, which was $366.98 a tonne.

Willetts leaves Vickers board

BY JOHN MOORE

DR. BERNARD WILLETTS, chief executive and managing director of Vickers since January, bas resigned for "personal reasons." He had held senior positioos with the company since 1978.

Vickers said Dr. Willetts had relinquisbed his position as chief executive and would resign all bis other appointments with the group. "The company bad acepted bia decision with great regret."

No other reasons were given, although Vickers said Dr. Willets, 53, has been advised by his doctor to take leave a month ago. "He has been away for the last month becanse of ill health," aaid Vickers. "There were no Board differences."

Vickers said compensation had been discussed during the past few days.

Sir Peter Matthews, who became non-executive chairman on the retirement of Lord Robens on January 1, will play a more executive role in the group'a affairs. Mr. James Hendin will be acting managing director.

Dr. Willetts had been leading the negotiations for Vickers in its discussions with CIT-Alcatel, the French telecommunications equipment maker. In February agreement was reached in principle to sell the reprographics and mailroom products activities of Roneo Vickers to CIT-Alcatel in a deal worth about £30m in cash.

Dr. Willetts was appointed to the board in November 1978, es an assistant managing director. He had previously been a member of the Plessey Company board and chief executive and chairman of Plessey Telecommunications International. He joined Plessey Co. in 1068 after 10 years with Massey Fergusoo, where he became deputy managing director.

British suppliers win £2.1bn offshore work

BY RAY DAFTER, ENERGY EDITOR

UK SUPPLY companies took 79 per cent of a record £2.68bn worth of orders placed by offshore oil operators working in British sectors last year, according to Governmeot statistics. It was the most successful year for the U.K. offshore supply industry, which has been gradually increasing its share of North Sea business.

In 1973, at the start of the main phase of oil development, UK companies won an estimated 25 to 30 per cent of orders placed by oil companies operating in the British sector of the North Sea. A large part of the business went to U.S. companies which were traditional suppliers to the oil industry.

The improvemeot in UK performance has resulted from a campaign conducted hy the Energy Department's Offshore Supplies Office and an agreement by whicb oil companies provide UK companies with a "full and fair" opportunity to compete for all offshore contracts.

Mr. Hamish Gray, Minister of State for Eoergy, has told Parliament UK companies secured £2.1hn of the £2.68bn worth of ordars placed last year. In the previous year UK industry won 66 per cent of a much smaller market, £1.04hn out of total orders of £1.57bn.

The operators of three fields among those which have undergone development work most recently—Maureen, Magnus and North West Hutton—have given tbe lion's share of contracts to UK companies.

An analysis of statistics shows the UK offshore supplies industry did particularly well in securing orders for development work. UK companies won 83 per cent of the value of orders connected with the exploitation of oil and gas fields—£1.68bn outof £2.04bn.

On the other hand, UK companies gained only 29 per cent of the exploration and drilling work—as against 19 per cent in 1978—and a little more than a third of the submarine pipelines contracts.

The UK industry was especially auccessful in the development of shore terminals—98 per cent of orders—and in production maintenance work—91 per cent of a market worth £145m last year.

Mr. Gray said the Government's definition of a UK company, in the context of offshore supply statistics was one which through employment, manufacturing or sub-contracting made a substantial contribution to the UK economy. Consequently many of those regarded as British have beadquarters overseas.

UK OFFSHORE OIL AND GAS ORDERS
(Goods and Services)

Sector	Value of orders placed (£m) Total	UK Share	UK %	(1978)
Exploration				
Surveying	18	14	78	(73)
Exploration and appraisal drilling	59	17	29	(19)
Sub-total	77	31	40	(27)
Development				
Production platforms	1,116	941	84	(74)
Installation operations	175	123	70	(41)
Plant and equipment	162	119	73	(74)
Submarine Pipelines	96	34	35	(38)
Development drilling	59	41	69	(70)
Terminals	434	427	98	(85)
Sub-total	2,042	1,685	83	(70)
Production				
Maintenance	146	133	91	(73)
General Services				
Transport	109	81	74	(84)
Diving adn underwater services	37	23	62	(77)
Drilling tools and equipment	76	47	62	(52)
Support of personnel offshore	81	29	36	(30)
Miscellaneous	111	82	74	(33)
Sub-total	414	262	63	(63)
Grand Total	2,679	2,111	79	(66)

NCB's break-even target cannot be met, says Gormley

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE GOVERNMENT'S insistence that the National Coal Board breaks even hy 1983-84 has been criticised as a "completely impossible" timetable by Mr. Joe Gormley, president of the National Union of Mineworkers.

Under the Government's Coal Bill, now before Parliament operating grants which were worth nearly £200m to the NCB last year will be phased out by 1983-84.

Mr. Gormley said at a coal conference organised by Benn Business Promotions the industry accepted the need to become self-financing, but the target set hy the Government could not ba met.

The reduction in subsidies contrasted with the strong support given by Governments to other European coal producers. "We want to be self-sufficient, but we want to have fair competition at the same time."

Mr. John Moore, the punior Energy Minister responsible for coal, said the subsidies were not being phased too rapidly. Those who said so ignored the changed relationship between coal and oil and the level of investment in the British coal industry in recent years.

Increased subsidies would be a blind alley leading the industry away from a self-reliant, successful future.

Sir Derek Ezra, the NCB chairman, called for an international programme to optimise coal's contribution to solving the world's energy problem.

The recently published World Coal Study had concluded that a massive effort was needed to expand facilitiea for the production, transport and use of coal. That effort was needed now.

British Caledonian plans Puerto Rico service

BRITISH CALEDONIAN plans to introduce a direct air service to San Juan, Puerto Rico, which will reduce the current lowest one-way economy fare hy more than £90.

The application for a licence to operata the service was put to the Civil Aviation Authority yesterday.

The current lowest out of season one-way economy fare, offered by Air Jamaica, is about £341. British Caledonian proposes to offer the equivalent service for £250. A one-way atandby ticket will be offered at £97.

● British Airways said yesterday it has introduced advanca purchase fares to Israel of £201 or £234, depending on time of travel, compared with the normal economy return of £334.

Fibres output falls

BY JAMES McDONALD

THE DECLINE in man-made fibre production which developed in the second part of last year accelerated during the first three months of 1980.

This is according to statistics published by the British Manmade Fibres Federation.

Domestic deliveries have been depressed, says the federation, but the improvement in exports has been maintained.

Total UK output in the first quarter, at 133,850 tonnes, was the lowest for any first quarter since 1975. The decline compared with the same period of last year was 8.8 per cent.

Within the overall decline, filament yarn production was down 10 per cent and staple fibre output 8 per cent.

Production of cellulose fihres suffered less than that of synthetic. Both reflected the severity of competition from U.S. imports, which the fedaration claims are based on artificially cheap prices.

Total deliveries in the three-months, at 139,830 tonnes, were 2.1 per cent lower than in the first quarter of 1979.

Deliveries to the home market, at 64,780 tonnes, were 24.8 per cent down on the same period of last year and 10.7 per cent lower than in the fourth quarter of 1979.

Exports, however, were 16.7 per cent bigher over the year at 74,850 tonnes and were 6.7 per cent up on the October-December quarter. For only the second time on record exports accounted for more than half of all deliveries.

W. Midlands co-operative merger plan

By Gareth Griffiths

A PROPOSAL to create a regional Co-operative Society for the Black Country with a £40m annual turnover is to be put to 190,000 Co-operative members in Kidderminster, Wolverhampton and Walsall.

The Kiddermloster and Walsall societies have drawn up proposals for a merger into a new group called the West Midlands Co-operative Society. Directors of both groups believe tbe move offers a chance to improve market share and services required by customers and members.

A merger between the Nuneaton Co-operative Society in Warwickshire and the Hinckley Co-operative in Leicestershire was approved hy memhers last month, after an earller decision to reject the merger. The new gronp is expected to have an annual turnover of £20m.

Possible mergers are expected to provide a strong discussion point at the Co-operative Congress to be held at the Isle of Man at the end of this month. The Co-op'e are loosing trade to the larga multiples and now control less than 7 per cent of retail trade.

The Co-op is committed to a long standing scheme for 25 regional Co-ops. But discussion of a merger between the South Suburban Co-op and the Royal Arsenal society in London appears to ba making progress.

Retail business holding up well

BY DAVID MARSH

RETAIL SALES and consumer credit fell in March from February's huoyant levels. But spending in the shops is still holding up fairly well compared with the end of last year.

This is partly because large increases in wages have maintained the real value of cash flowing into the High Street in spite of worsening inflation. Additionally, some pre-budget huying—particularly for alcohol—may have supported sales in March.

Final figures issued hy the Department of Trade show that the volume of retail sales in March fell 1.1 per cent in March fro mFebruary. The drop was caused above all by the unusually bigh level of trade in February owing to longer-than-normal winter sales. Overall sales volume in the first quarter was 1.6 per cent up on the final quarter of 1979.

The Department's seasonally adjusted index of retail sales volume for March was 103.0 (1976=100), unchanged from the provisional estimate given on April 28. This compares with 104.1 in February.

Total hire purchase and consumer credit lending dropped to £635m, seasonally adjusted, in March from £685m in February, little changed from the monthly figures in the second half of 1979. Lending by finance houses and other specialist grantors of consumer credit dipped to £379m from £415m, while loans by retailers fell to £238m from £250m.

Total advances in the first quarter of 1980 were 1 per cent higher than in the fourth quarter of 1979, with retailers increasing lending by 5 per cent, but other grantors of credit reducing their by 2 per cent.

Since the figures are in current price terms and the rise in retail prices is now running at an annual rate of more than 20 per cent, it is clear that the volume of credit granted has been falling off over the last few months as a result of bigher interest rates.

TUC attacked over pesticide plea

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE BRITISH Agrocbemicals Association has attacked the TUC general council for demanding a han on the weed-kiler 2,4,5-T and for calling for a drastic revision of the way agrochemicals are approved for use in the UK.

Dr. Dave Hessayon, the new chairman of the British Agrochemicals Association, said decisions on the safety of agrochemicals should be left to the "objectiva and impartial assessment" of the Government's advisory committee on pesticides. Producers of pesticides welcome watchdogs on their industry but those "watchdogs must be skilled and impartial scientists who have no political, commercial or emotional axe to grind."

"To turn the present clearance scheme into a three-way collective bargaining session between unions, manufacturers and what is left of an advisory committee would answer the union call for more power in pesticides, but it could also spell the end of our superb safety record."

"I believe that the decision on whether an agrochemical should be banned can be made only by experts looking at scientific facts. If we deviate from these principles then mankind can be threatened."

Dr. Hessayon cited the pressure groups which fought for a ban on DDT 20 years ago on the grounds that it was harming birds and wildhfe as an example of the dangers of allowing laymen to — — —io safety. DDT had been duly hanned in a number of countries and as a result millions of people had died from malaria.

In 1946 there were nearly 3m cases of malaria in Sri Lanka. A mosquito eradication programme with DDT brought the figure down to only 110 by 1961. Then came the campaign against DDT and spraying stopped in 1964. By 1968 there were once again 2.8m cases of malaria in Sri Lanka.

"The World Health Organisation announced that withdrawal of DDT would condemn vast populations to the frightening ravages of malaria. But if the various pressure groups had succeeded in obtaining a world ban on DDT, then Rachel Carson and her book, Silent Spring, would now be killing more people in a single year than Hitler killed in his whole holocaust," Dr. Hossayon said.

The scientific evidence on 2,4,5-T had been examined by the Government's advisory committee eight times since 1967. It was cleared as safe yet again in July last year but a further report on it was to be published

Maserati franchise acquired by Britcar

THE UK franchise for Italian-huilt Maserati and De Tomaso cars has been acquired by Britcar Holdings, the group which imports Suharu vehicles from Japan. It also owns the parts and service husiness of the Jensen car company which stopped manufacturing in the mid-190s.

Only a handful of Maserati and De Tomaso cars are sold in Britain each year, but Britcar intends to huild up sales during the next year or two "to prepare a firm hase for further expansion."

Britcar is being reorganised, and a new holding company, International Motors, has been aet up to take responsibility for Subaru (UK), Jensen Parts and Service, and Modena Concessionaires, the Maserati and De Tomaso franchise holder.

UK NEWS

Heseltine to abandon spending needs plan

BY ROBIN PAULEY

THE GOVERNMENT is on the point of abandoning one of its most important principles in the plans to reform the rate support grant system and bring more accountability into local government by publishing detailed financial information.

After insisting for months that a vital component of the new block grant system—for funding local government—would be the publication of the assessment of each authority's spending needs for the year, the Government has now decided that the individual figures will not be published.

The about-turn will be presented by Mr. Michael Heseltine, Environment Secretary, and Mr. Tom King, Local Government Minister, as a concession to the local authority associations, which have opposed the idea that the government should decide what an authority "ought" to spend and to the publication of individual figures.

The plan is being abandoned because civil servants have been finding it more and more difficult to work out any practicable scheme of assessing needs which could be published without attracting criticism.

The local authority associations have also this week put suggestions and amendments to the Environment Department. One argues that because the figures are so open to misinterpretation they should not be published locally but all together in context in a report to Parliament, if at all.

But even if they are not published, the figures chould always be made public if a member of the Environment Select Committee asks for them to be produced.

Civil servants apparently feel that the compilation of the needs figures will be so full of anomalies, multipliers to account for special circumstances, and possible ambiguities that publication of the figures for more than 400 local authorities for comparative purposes would be worthless and possibly misleading.

It would not be the first irony in the passage of the Local Government Planning and Land Bill through Parliament if the local authority associations were found to be moving towards the Government's position just as the Government itself was backing off. In any event, the position is a further embairrassment for Mr. Heseltine, who has found that producing the details of the scheme is proving harder than accepting the principles.

Mr. Heseltine has always insisted that publication of figures was crucial to bringing more accountability into local authority finance. He wanted journalists and ratepayers to have all the comparative financial information possible to enable them to ask relevant questions about the performance and cost-effectiveness of the elected representatives.

Under the new block grant system each authority's spending needs would be assessed by a complicated formula, probably using a combination of systems based on regression analysis, which involves complex calculations based on previous spending patterns.

Then a standard rate poundage, set by the Government and the same for each authority, would be levied.

Subtraction of the sum raised by levying the standard rate poundage from the spending need assessed by the Government would produce the block grant figure.

If authorities want to spend more than the formula produces they will have to levy a rate higher than the Government's notional figure. The calculations will ensure that above certain thresholds the burden of overspending will fall increasingly on ratepayers and decreasingly on central Government funds.

Telecommunications 'needs new watchdog'

BY JASON CRISP

THE NEW telecommunications corporation should be given specific performance targets monitored by an independent statutory body when the Post Office is divided, the newly-formed Telecommunications Users' Association (TUA) says.

It wants new legislation on the Post Office—likely to be introduced in the autumn—to establish the body, which would set targets for the modernisation of the network, level of investment, return on investment, increase in the number of telephones and quality of service.

The association says the body should also have a statutory obligation to give figures on the actual quality of service: for instance on waiting time for new equipment and on samples of the number of calls dialled which make a connection.

The new Telecommunications Users' Association is an amalgamation of the Telephone Users' Association and the more recently established Association of Telecommunications Users. With a small, full-time professional staff TUA says it does not intend to be a "pressure group" but seeks to influence the new telecommunications corporation.

The association says its immediate task is to "ensure that the 1980 Post Office Bill does not repeat the mistakes of the 1969 Post Office Act."

In the short-term the association urges cheap day tariffs on Bank Holidays, compensation for lines out of commission, licensed sales of modems, more open information about bottlenecks and delays in equipment supply, and itemised billing for recurring charges.

Steel plant opened

ASH AND LACY, the Midlands steel processing and stockholding group, has opened a £1.5m galvanising plant at Telford and may spend up to another £2m on expansion.

The opening coincided with the company's announcement of a substantial rise in after-tax profits to £1.8m.

At the annual meeting, Mr. John Fane Vernon, the chairman, who is to relinquish the post of managing director, said he believed the company's cash assets of about £2m might be used to take advantage of "bargain" share prices.

Mr. Fane Vernon said he believed the company should grow by expanding its successful activities or buying companies which would complement existing business.

APPOINTMENTS

Chairman change at Steel Brothers

Mr. A. P. de Boer is to become chairman of STEEL BROTHERS HOLDINGS after the annual meeting on June 5 to succeed Mr. J. H. Gannt, who is retiring. Mr. de Boer has been a non-executive director of the company since 1971 and is chairman of its former associate, Attock Petroleum, and of Tomatin Distillers. He is a director of Burmah Oil, Tarmac and the Chloride Group, as well as being chairman of the British Road Federation.

★

Mr. Hugh Fraser, Conservative MP for Stafford and Stone, has been appointed to the board of LONRHO's wholly owned Scottish holding company, SUITS. He will act as deputy chairman. The chairman of SUITS is Mr. R. W. Rowland, chief executive for Lonrho.

★

Mr. Frank Traynor has joined the Board of SILVERMINES as chief executive. Mr. Traynor was previously assistant general manager marketing of Northern Bank Finance Corporation, the merchant banking member of the Midland Bank Group in Ireland.

★

THE PLESSEY COMPANY has appointed Dr. John Bass as director of research. Dr. Bass is managing director of the Allen Clark Research Centre, Caswell, near Towcester, Northants.

★

The WALTER KIDDE COMPANY has made Mr. F. A. Lynn, Mr. A. W. Harris and Mr. B. Meredith directors. Mr. N. Lindsay has been appointed financial director from June 2.

★

Mr. John J. Howard has been appointed a director of BRITISH ENGINE INSURANCE. Mr. Howard is also a director of Royal Insurance and succeeds as chief general manager of the group following the retirement of Mr. K. M. Bevins, who has also retired from the British Engine board.

★

Mr. Eric McQuaid has been appointed a vice-president of DIAMOND SHAMROCK PETROLEUM CORPORATION. He is in charge of the company's newly-opened London supply and trading office.

★

Mr. B. L. McMahon has been appointed a director of STEWART WRIGHTSON INTERNATIONAL GROUP.

★

Mr. E. G. Green has been appointed chief executive of the IRISH NATIONAL PETROLEUM CORPORATION. He was previously chief executive of Elf Oil (UK).

★

Mr. R. C. Meek has been appointed an additional director of RENOLD.

★

Mr. Rudi Hulsman, marketing director of Pedigree Petfoods, has been elected chairman of the *PET FOOD MANUFACTURERS' ASSOCIATION*. He succeeds Mr. Geoffrey John of Dalgety Spillers.

★

Mrs. Jean Tatham, a former chairman of the GREATER LONDON COUNCIL's housing management committee, has been nominated as the new vice-chairman of the GLC's finance and establishment committee. She will succeed Mr. Sydney Clack, who is to be elected the next vice-chairman of the GLC.

★

Mr. Peter Durlacher has joined T. C. COOMBS AND CO., stockbrokers, and will become a proprietor as soon as the necessary Stock Exchange formalities have been completed.

Trevor Humphries

Roger Taylor

Mr. Len Murray, TUC general secretary, speaks to about 500 trade unionists at a rally at Mayesbrook Park, Barking, Essex

Day of Action aim has been achieved—Murray

ALAN PIKE looks at the contribution made by Mr. Len Murray, TUC general secretary, to yesterday's protest

MR. LEN MURRAY, who has been presented to the public as the personification of the Day of Action, selected Barking, in East London, for his contribution to yesterday's events.

Mayesbrook Park, Barking, is by London standards at the heart of a considerable industrial area. The main Ford estate is nearby, alongside the road connecting the upper London docks with Tilbury.

It is also in an area of self-assured socialism. Candidates advocating the type of policies which Mr. Murray was there to *attack yesterday tend to come* at least second in elections.

Mr. Murray and his fellow speakers must therefore have felt some disappointment that the area's traditions and superb weather did not combine to produce a crowd of more than a few hundred.

Mr. Ron Todd, national organiser of the Transport and General Workers Union and chief Ford negotiator, joined Mr. Murray on the platform.

The crowd, if small, responded enthusiastically as Mr. Murray said the Day of Action had already achieved its aim of putting the Government's policies at the centre of public debate.

"Tomorrow our people will be *back at work trying to keep* industry going, trying to look after the sick the elderly and the kids at school with resources savagely cut — and the Government will be back at work letting industry down and cutting services back."

The TUC had been subjected to "abuse beyond belief" for calling the Day of Action. But in six months' time people would recognise that it was justified.

Some people would say it was a question of party politics but relationships between the TUC and Government were not determined on this basis. "They never have been and I hope they never will be.

"What is new, and what is unique, is the total refusal of the present Conservative Government — *this is for the first time* since the war — to try to get some national agreement following objective debate about what causes unemployment problems, how we get economic growth again, how we pay for our social *services and so on.*"

Instead, the Government was adopting a take it or leave it attitude which was "driving our country into a cul-de-sac at high speed."

Attacks from the platform on the way in which the Day of Action had been reported in some sections of the Press — and the treatment of Mr. Murray's much-publicised holiday in Madeira — were received *by the* audience with even more fervour than the criticism of the *Government's* policies which provoked the protest.

Nick Garnett *writes:* South London was the scene yesterday for a Day of Action anti-Tory festival which, as with so many rallies throughout the country, was a platform for a whole battery of Left-wing community groups.

Amid a sea of posters—declaring *support* for the "Short, Sharp Shock—Electrocute the Tories" and "If the Tories Get Up Your Nose, Nicket" — several hundred marchers converged on Clapham Common to hear speeches and Ska music, to watch street theatre and to eat wholewheat *pizzas.*

The focus of the festival was serious enough and the marchers were armed with a range of placards accusing the Government of vicious attacks on just about everything that makes a *community* a community.

Several unions, especially those operating in the public services, were represented but the carnival was principally the brainchild of trades councils in *Lambeth, Battersea and Wandsworth* and newly formed "Fightback" groups

Participating organisations, however, ranged from local Communist parties and housing aid societies to other groups whose fame does not appear to have spread outside the *sphere of fringe culture.*

These included Brag, Pavement, Task Force Pensioners and something called the Coffee Campaign.

Mr. Alf Dobbs, MP for South Battersea, and local union officials made speeches from a British Road Services lorry.

The milling crowd of protesters wearing Plunder Woman badges appeared to be more enlivened by the music, the barbeques and the street theatre.

● MORE THAN 1,000 print workers *marched* yesterday from Clerkenwell Green, London, to the Daily Express offices in Fleet Street, as part of the TUC's Day of Action.

Meanwhile, as national papers went to press last night, distribution of Manchester editions of the Daily Express and Daily Star was threatened because of a print union claim that Express management had violated picket lines set up in suport of yesterday's protest, our Labour Staff writes.

Manchester officials in the Society of Graphical and *Allied* Trades said members working for the group were *to strike in protest at* the circulation yesterday of 180,000 "token copies" of both newspapers.

They claim that management and circulation staff had loaded bundles of the newspaper on to hired lorries in the face of SOGAT pickets.

Mr. Jocelyn Stevens, managing director for the newspaper group, said the position in Manchester was "very uncertain" since there had been no communication from the union.

Express Newspapers have withdrawn their threat that employees who did not report for work yesterday could face dismissal.

Protest 'is just the beginning'

By John Lloyd

TRADES UNION leaders told a rally of around 1,500 people in the Central Hall, Westminster, that the Day of Action should be seen as the beginning of a *growing campaign of protest* against Government policies.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, said: "The importance of what is happening today is that it brings home to the people of this country that the trade union movement cannot stand outside *politics.*"

Mr. Fisher was supported by Mr. Teddy O'Brien, national officer of the National Society of Operative Printers, Graphical and Media Personnel, (NATSOPA), who said: "Of course *this* is a *political* strike —because the Government are taking political decisions."

Mr. William Keys, general secretary of the Society of Graphical and Allied Trades, said he expected more from the next *Labour* Government than merely the repeal of the Employment Act. "I expect them to say what they mean, mean what they say and to take us for the first time on tha road to a socialist society."

Mr. *Norman* Atkinson, MP, a leading member of the Labour Party's executive committee, said there was a "massive anti-trade union campaign," especially in the media, which threatened the basis of the Labour *movement.*

Mr. Alex Kitson, deputy general *secretary* of the Transport and General Workers Union, said those who were not on strike would be joining those who had come out later in the *year,* when *Government* policies began to bite.

Mr. Kitson's speech was interrupted and finally halted by heckling from a group of anarchists, called Autonomists.

● Mr. David Basnett, general secretary of the General and Municipal Workers' Union, told a rally at Kingston that unions did not need to apologise for the day of action. "Trade union activists and trade union leaders have a clear responsibility to draw attention to the disastrous course of Government policy."

Employers claim big attendances

BY OUR INDUSTRIAL STAFF

A LARGE proportion of Britain's workforce in industry, comerce and transport went to work as usual yesterday during the TUC's Day of Action. Exceptions to the rule, therefore, were all the more notable.

The decision by many transport workers to ignore the advice of their union leaders *and to operate train and bus* services was a factor which allowed industry spokesmen to claim work attendances ranging from 75 per cent upwards in most regions.

But in Wales, while much of industry was working normally, all 35 coal pits closed and the National Coal Board reported that only 106 of its 219 mines throughout the country were operating.

Liverpool, Southampton and Hull ports were closed, as were most Scottish ports. But the Port of London and 16 of the 19 ports operated by the British Transport Docks Board were open.

No English national newspapers were published in London yesterday because of action by the printers, but 60,000 copies of the Daily Express and Daily Star were printed in Manchester. A number of provincial papers were published.

The Confederation of British Industry said many companies were working at normal, or near normal, capacity. On a regional basis: in the North-West attendances ranged between 85 per cent and *100 per cent;* in the West Midlands most large firms were working normally with many reporting attendances of 95 per cent; in Wales, apart *from the coal mines,* there was a good turnout; and in Scotland many companies had 100 per cent attendance.

In the Midlands, at BL's Longbridge plant the 18,000 manual workers ignored their shop stewards' call for a mass rally outside the plant and, while BL Cars reported some absenteeism at its 36 plants, there was not enough to disrupt production. Also, Lucas Industries said nearly all the 30,000 employees at its 15 Midlands factories reported for work and there were similar reports from other large employers, such as ICI, Talbot, Glynwed, Tarmac and Brockhouse.

On a countrywide basis the Engineering Employers' Federation claimed that 90 per cent of the engineering workforce had turned up. There had been a negligible effect on production.

In London, it was estimated by the London Chamber of Commerce and Industry that over 70 per cent of the working population turned out, with many companies reporting 90 to 100 per cent attendances.

● **RAIL:** British Rail said that in the southern and eastern counties it was able to operate about 70 per cent of its Inter-City and suburban services. But there were no LMS or Western Inter-City services out of London. In Scotland, south of the Clyde, about 70 per cent of services were running.

● **BUSES:** The National Bus Company said 85 per cent of its services ran normally, including the London Country buses, Southdown along the South Coast, the Alder Valley and United Counties. Throughout the country a large number of bus services operated.

● **POST OFFICE** postal delivery and telecommunications services operated normally, as did many London hospitals. The GLC said 70 per cent of its employees reported for work.

The various industries reporting yesterday were:

● Shipyards—22,000 of British Shipbuilders' 73,000 workforce stayed away but only two yards, Govan and Cammell Laird, were

● Ferries—More than 75 per cent of all services operated normally yesterday. Sealink's Stranraer to Larne and Holyhead to Dun Laoghaire services stopped and European Ferries' Larne to Cairn Ryan and its Felixstowe services. No P and O Ferries' Dover sailings.

● STEEL—BSC reported a 90 per cent level of activity. About 3,000 of the 41,000 employed in its Welsh plants stayed out and only Ebbw Vale and Tafarnaubach were affected.

Whitehall unions fight job cuts

By Our Labour Staff

UNIONS HAVE reacted angrily to the Government's intention to axe 75,000 Civil Service jobs in the next four years.

The move, announced by the Prime Minister in the Commons on Tuesday was denounced by Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, as "political gimickry."

In a letter to Mr. Paul Channon, Minister responsible for the Civil Service, he also gave a curt rebuff to the Prime Minister's argument that the exercise was being undertaken in the interests of simplifying work and improving efficiency.

The announcement, he said, was "arbitrary and artificial," and "had nothing to do with good management or efficiency."

He said: "You have no idea how it is going to be achieved and the Government has not the slightest notion about what functions will be *cut,* what efficiency measures are to be introduced, or how the target figure will hold in the face of Government policies and new legislation."

Mr. Kendall attacked the decision for "putting the clock back 40 years" in industrial relations and for sharpening conflict between management and employees.

Mr. Bill McCall, general secretary of the Institution of Professional Civil Servants, pledged "total and unremitting opposition" to the cuts.

He told the union's annual conference in Eastbourne—which resolved to resist compulsory redundancies—that the proposed cuts were "*motivated* by party political dogma."

Mrs. Thatcher stressed to MPs there was recognition that the contraction in the Civil Service would cause anxiety, but argued that natural wastage should make the target possible "without significant compulsory redundancies."

Ministers would work out detailed plans for achieving the target in their own departments.

● Delegates to the Civil and Public Services Association conference in Southport rejected moves by their general secretary, Mr. Ken Thomas, to affiliateate to the Labour Party.

PARLIAMENT and POLITICS

TUC's action 'best propaganda weapon'

LORD HAILSHAM, the Lord Chancellor, last night took a fierce swipe at the TUC's Day of Action and told the House of Lords it had provided the Tories *with* "the best propaganda weapon they have had for 30 years."

Opposition peers erupted into fury as Lord Hailsham spoke of the "incompetence and stupidity" of some union leaders.

He added: "I don't see how you can *effectively protest* against the economic policies of a Government by taking it out on your fellow citizens."

The Day of Action was a failure, said Lord Hailsham. "Millions of workers were not *consulted—they* were *told* what to do."

Among trade unionists there was "increasing resentment on the part of the rank and file of the incompetence and stupidity of some of their leaders."

He did not *feel* any *joy* at the discomforture of his fellow *citizens,* he told *Lord* Elwyn-Jones, former Labour Lord Chancellor, who accused him of enjoying the debate on the day of protest.

But Lord Hailsham added to roars of laughter: "When one *is bowled a long hop there is* no reason why one shouldn't hit it for six!"

Lord Elwyn-Jones said the duty of the Lords was to avoid a further increase in tension and confrontation which the Government was now building up between themselves and *trade unionists in Britain.*

And Lord Peart, Leader of the Opposition, was equally critical. "I dislike people attacking trade unionists in the way you have done," he told Lord Hailsham.

"The people you are talking about are good British citizens," he said.

They were the people who had produced the country's wealth and provided troops in times of crisis to defend us against the Nazis, he added.

Lord Hailsham retorted: "I would have thought it was was the people of this country that produced the wealth and not the TUC."

Labour's Lord Blyton said after 61 years the trade union movement had survived injunctions and threats.

He said the only mistake the TUC had *made* was in not calling the Day of Action on Derby Day, Glorious Goodwood or during Royal Ascot, so that trade unionists could have enjoyed themselves with the wealthy.

The *Lord* Chancellor *said* he did not know how much consultation had taken place between Mr. Len Murray, the TUC and the rank and file members about the Day of Action — but he doubted if there had been much at all.

Tory Lord Orr-Ewing said: "The comparatively *small* response shows that the great majority of British people and good British citizens are sick to death of political gestures. They want to get on with the job of rebuilding the prosperity and power of Great Britain."

Lord Hailsham *told* him: "I think the failure of the action . . . is probably the best answer I could give to that . . ."

Labour's Lord Wedderburn of Charlton asked Lord Hailsham if he dissociated *himself from the* "scurrilons" Press campaign against the man the Daily Express had called "Mr. Lenin Murray."

Lord Hailsham said the Government was not responsible for those statements but: "If Mr. Murray is defamed by the Daily Express, he has a remedy in cort. I will endeavour to provide facilities for the action to be heard."

Lord Soames, the Leader of the House, paid tribute to the civil servants who had gone to work yesterday.

"I do not have the exact figures but I believe less than 2 per cent failed to turn up," he said.

Decision on sanctions 'should not be rushed'

By Ivor Owen

WHEN THE EEC Foreign Ministers meet in Naples this weekend, they should not rush into a commitment to mount a full-scale sanctions campaign against Iran, Mr. Peter Shore, Labour's shadow Foreign Secretary, contended in the Commons last night.

"The time is ripe for a cool approach and a pause," he said.

Mr. Shore claimed that this view accorded with the general sense of the House as evidenced during the proceedings on the Iran (Temporary Powers) Bill, which after 15 hours debate, completed its passage through the Commons just after 7 o'clock yesterday.

No amendments were made to the Bill, which received an unopposed third reading, and is expected to be approved by the House of Lords today.

Mr. Shore pointed out that considerable reservations had been expressed from all sides of the House about tha Bill, with particular concern being *expressed about* the *timing of* tha implementation of the powers it provided for the imposition of sanctions against Iran.

He suggested that the need for the British Foreign Secre*tary to urge caution on his* EEC colleagues had been made all the more necessary by the remarks of Mr. Edmund Muskie, the U.S. Secretary of State, calling for the full and immediate implementation of sanctions at the Naples meeting.

Mr. Douglas Hurd, Foreign Office Minister of State, promised to report Mr. Shore's view to Lord Carrington, the Foreign Secretary.

Monitoring spending on computers

By Robin Pauley

GOVERNMENT DEPARTMENTS should not spend money on computer projects unless it can be shown that the benefits will exceed the costs, says a Civil Service Department report published yesterday.

The report says financial appraisal and monitoring of computer projects should not be regarded as a purely financial task, but as an integral part of the wider tasks of management.

It also recommends that more guidance is needed on methods of identifying and evaluating risks and uncertainties, and in the appraisal of projects using micro-computers.

"A more responsive system of monitoring should be introduced to enable Government departments to identify, at a sufficiently early stage, where progress has gone off course so that appropriate remedial action may be taken," the report adds.

Investment Appraisal and Monitoring Procedures for Administrative Computer Projects.

● The Civil Service Union complained in the High Court yesterday that it was being denied information to which it *was entitled* about Ministry of Defence plans to offer office cleaning contracts to private contractors.

The Ministry contends that by using contract labour rather than staff cleaners at five buildings in Bath, it could make a 5 per cent saving.

The dispute — involving 68 cleaners—is regarded by the union as a test case. It fears that the employment of contract labour at Bath would be only the beginning of a process that could spread throughout Government departments.

BSC chief's support for 'status quo'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. IAN MACGREGOR, who takes over as chairman of the British Steel Corporation in July, has seen nothing yet to require any change of general course at the corporation, Lord *Trenchard, Minister of* State for Industry, said yesterday.

The Minister explained that Mr. MacGregor was giving every support to Sir Charles Viliers, the retiring chairman, and Mr. Bob Scholey, chief executive, to press ahead with maximum speed in the implementation of existing plans and agreements.

While waiting to take up the chairmanship, Mr. MacGregor is working as a deputy chairman alongside Sir Charles and Mr. Scholey.

Lord Trenchard said that Mr. MacGregor saw no reason for a let up in the momentum of tha BSC's existing plans as a basis for development.

The new chairman knew that realism must come first, but if he built up a successful, competitive *industry* "on that *basis* he would be suggesting ideas for expansion beyond it."

Lord Trenchard was replying to a debate in the Lords on the controversial financial arrangements for the appointment of Mr. MacGregor. These include the payment of compensation upto *£1.8m* to *Lazard Freres,* the New York investment bank. Mr. MacGregor, a Scots-born American, was a general partner in Lazard Freres and will retain a limited partnership.

These arrangements came in for strong criticism when they were *announced* in the Commons on May 1 by Sir Keith Joseph, Secretary of State for Industry. Today a debate on the subject takes place in the Commons.

During the Lords debate, Lord Trenchard *disclosed* that in fact an even higher sum was originally asked by Lazard Freres, but it had not been acceptabla to tha Government.

Labour peers, led by Lord Bruce of Donington, a Labour front bench spokesman, repeatedly pressed Lord Trenchard to say whether Mr. MacGregor would have a free hand to run BSC and whether ha would be allowed to expand the corporation if he saw fit.

Lord Trenchard told them that the objectives would ha discussed by Sir Keith with the new chairman.

"There will not be intervention or *interference,"* said the Minister. "There will be the fixing of profits and cash objectives which it is the duty of the Government to do. The long term and short term resources of the nation will be taken into account in *fixing* it."

He emphasised that Mr. MacGregor was not just a "hatchet man — he bubbles over with ideas of possible new markets."

As a limited partner in *Lazard Freres, Mr. MacGregor* would be entitled to a small share in the profits of the partnership. Details of this were known te the Inland Revenue and consultation between them and Lazard Freres had been *fully* and openly conducted.

In addition, it *was possible* that — on rejoining Lazard Freres in New York — Mr. MacGregor would benefit from the firm's increased profit share from the performance related to be paid by the British Government.

"The details of this are for him and his partners and they arise when he returns to New York," said Lord Trenchard.

Opening the debate, Lord Bruce claimed that Sir Keith Joseph had "made an ass of himself" over the whole affair and had brought no credit on the Government by his handling of the appointment.

TRENCHARD: pressed on expansion plans

It was important, he said, to cast a critical eye on the Secretary of State for Industry "and make some judgment on his fitness to give directions to anybody."

Lord Bruce said there were certain taxation implications on the assumption that Mr. MacGregor was being treated as a resident of this country during his assignment. On return to the U.S., however, he would no longer be liable to any kind of British taxation, said Lord Bruce.

He understood that the £225,000 *per annum which will* be paid to Lazard Freres would not be subject to income tax.

He also asked why the Government had employed Russell Reynolds as the head-hunters to find a new chairman of BSC.

"I want to know whether Russell Reynolds are connected in any way directly or indirectly with Lazard Freres and I require a specific answer to that," he added.

In replying to the debate, however, Lord Trenchard did not answer that particular question.

Labour Lord Balogh said the appointment of Mr. MacGregor showed "one more unacceptable face of Mrs. Thatcher's regime.

The Government seemed to have become a party to the tax avoidance scheme denounced by former Tory Prime Minister Mr. Edward Heath as the "unacceptable face of capitalism," said Lord Balogh, who was an economic adviser to the Wilson Government.

Lord Kaldor, another of the former Labour Prime Minister's advisers, asked peers what unique contribution "this whizz-kid of 67" could make, unlike anyone else in this country.

Lord Byers, Liberal leader in the Lords, said he was ashamed if it was true that nobody in Britain could be found to fill the vacancy.

"I think it is a reflection on British top management if it is true that nobody in Britain could be found for this challenge. I feel very ashamed

● Mr. Ian MacGregor met Tory MPs yesterday on the eve of today's Commons debate on his appointment as chairman of British Steel. The officers of the party's Industry Committee left the meeting apparently impressed by Mr. MacGregor's abilities.

He gave them the impression that the outcry about the terms of his appointment had not made him any less determined to get on with the job.

Enterprise zones

THE FIRST enterprise zones are planned to be designated in the *New Year,* Mr *John* Biffen, the Chief Secretary to the Treasury, announced in a Commons written answer.

The idea of experimental enterprise zones were announced by Sir Geoffrey Howe in his last Budget. They will cover up to 500 acres and benefits for developments will include exemption from Development Land Tax, 100 per cent de-rating, 100 per cent capital allowances and simplified planning procedures.

The Department of the Environment said six or so zones will be announced this summer, then designated and under way by the New Year.

JOBS COLUMN, APPOINTMENTS

British shy of Middle East, or vice versa

BY MICHAEL DIXON

WHAT is it like to be working today as an expatriate manager or specialist in the Middle East? Obviously the answer will vary with the place of work. But if this column finds any reader in that region and he or she would spare the time to send a brief sketch of current conditions in the particular locality, then I would be grateful.

So, eventually, would numerous other people because several unemployed managerial types have recently telephoned seeking precisely the advice which I have just requested from readers in the best position to supply it. Tha callers all thought they had a chance of a job on offer in the Middle East. But although the home market for executives is dapressed, and the callers were anxious to "get back in" to employment, they were chary of pursuing tha opportunity without some npinion on the present and prospective conditions in the area, given by some independent person with up-to-date knowledga.

Corroborating evidence that this chariness is now general has been provided by a number of recruitment consultants, who are apparently finding it extremely difficult to find recruits for Middle East posts. The hypothesis of these consultants is, of course, that turmoil in some parts of the region has scared job-hunters away from taking a post in any part of it, regardless of the capital-accumulating possibilities of large tax-free earnings.

O nthe other hand, I have just talked to a recruiter who says his difficulty is the other way round. There is no lack of job-opportunities in the Middle East, he says, and he would expect no difficulty in finding well qualified British people to apply for them. But his experience is that Middle East employers have lately become chary of recruiting people from the U.K.

"There seems to be a spreading feeling that they have to pay Brits a bit too much for what they do, as compared with equally capable people from Pakistan, say, or South Korea. They say a Brit wants first-class apartments, a car and all the rest . . . but will be work? Well, yon may be lucky. There's a belief that just as Brits won't come unless yon mollycoddle them, they won't work hard if you do."

Since that is but one recruitment consultant's observation, perhaps readers working in the region would like to comment on it as well as reporting on conditions (I would not reveal their names unless they specifically requested me to do so). Are British expatriates acquiring a reputation for lucrative languishing? If so, is that repntation deserved? I must say that the consultant's view conflicts with the bulk of opinions expressed to me about the diligence and selflessness of British expatriate managers. Bnt then again, almost everybody who has offered such an opinion was a British expatriate manager.

Investment

SOMETHING which can be said with certainty, however, is that a high opinion of Brits is beld by the bead of a diversified trading group in the same region with a turnover of about US$ 500m. He bas just got in toucb with heedhunter Tony Nevile with an order for an investment adviser.

The reason for the size of the group, Mr. Nevile says, "is that whereas others were in the gold business which collapsed in 1973, this enterprising concern was building up trade based on importing consumer-durables aimed at the markets in the Middle and Far East.

"It is precisely this type of trade that has been the foundation of the area as a business centre."

Apparently, subsidiaries bave already been established on an international footing in businesses including motor vehicles, electronics, property, contracting, engineering, insurance, construction, banking, ship repair, steel and pipe fabrication and foods. Of the group's trading activities, about 85 per cent to 90 per cent is accounted for by Japanese products.

According tn Tony Nevile, the head of the group — to whom the incoming adviser will be directly responsible — is "modern, calculating and corporate-minded in his approach tn business. He believes in planning and gaining control of as many as possible of the factors that have a bearing on the success or failure of corporate plans.

"The massive growth in the turnover led to the splitting of the business into a number of separate companies and the hiring of professional expatriate management. The new thrust in the group expansion is towards industry, particularly of international scope, with the intention of forming new companies and buying into existing concerns in Europe and Latin America, which will complement the strength at bome.

"The appoinment of the investment adviser is seen as a crucial step towards the early attainment of an international monetary division."

No age range is specified, but candidates must be able to demonstrate an intimate knowledge of the Stock Exchanges of London, New York and Tokyo. Experience of similar work in a comparable context would, of course, be valuable.

The salary indicator for the job, which would probably be on a four-year contract initially, is US$70,000 tax-free. The perks, Mr. Nevile adds nonchalantly ,will "naturally include free house, car, servants, six weeks holiday and free first-class air tickets etc." (some of us, no donbt, would be grateful just for the "etc.").

Interested and suitably qualified readers should contact him at Ash Honse, Churt, Farnham, Surrey GU10 2NU; telephone Headley Down (0428) 712313 or 714493. Since be may not name the employer, Tony Nevile promises to honour any applicant's request not to be identified to the company until permission is given — as does the recruiter next to be mentiooed.

Marketing

LOWER DOWN the salary league, a couple of marketing-management jobs in the Middle East are on offer throngh consultant John Williams, of Whitehead Technical Services. Both post are based in Kuwait.

In the case nf the first, the employer is a company about two-thirds owned by the Kuwaiti Government, and it specialises in the manufacture of glass-wool building insulation of various kinds. The marketing manager required will be responsible for directing the company's marketing and sales activities throughout the Middle East, and for developing new nntlets for the products.

Mr. Williams is apparently not too bothered about the age of candidates for this post, provided that they have at least five years successful experience in sales and marketing work, and have first-hadn knowledge of the building-products trade. If the yalso happened to be graduates in a science or technology less irrelevant than most academic subjects to the construction industry, he would be pleased. And if they additionally had a specialised knowledge of insulating materials made of glass-wool, he would be tickled pink.

Tax-free salary is about £20,000. Perks inclode free accommodation, car allowance, and free return air fares home annually for the manager and the family.

John Williams's other offer is the post of marketing and sales manager for the engineering prodncts of a trading company concerned with construction, motor vehicles and materials-bandling equipment, as well as supplies for oil fields, ahipping, and general engineering. There is a sales force of two dozen below the newcomer, and the general manager directly above. Main sales are in heavy construction equipment.

Candidates should bave at least 10 years experience as a sales engineer in industry. Tha preferred age raneg is 30 to 45.

Starting salary here is about £16,000 tax-free, plus the usual furnisbed accommodation, free medical car, and free air fares.

In quiries about either job to Mr. Williams at Whitehead Technical Services, 21 Wigmore Street, London W1H 9LA; tele-bopuen 01-580 0191, telex 27789.

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To plan, direct and implement this work, the company now needs a manager to be responsible to the Financial Director for identifying and specifying the systems required: early emphasis will be on asset control and general accounting systems but in the longer term there is a completely open brief to define data processing requirements in the widest possible sense. He or she will therefore both participate fully as a member of the finance management team, and work closely with senior management across the company.

Applicants, 25-35, should have experience of creating computer based financial systems after qualifying as an accountant, and have the desire and potential to progress to a higher level of financial management within this major international group.
Initial salary will be negotiated between £8,800-£10,300 plus car and other benefits, including relocation to West London if required.

Ref: S3859/FT.

REPLIES will be forwarded direct, unopened and in strict confidence to the client unless addressed to the Security Manager listing companies to which they should not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

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DIVISIONAL FINANCIAL CONTROLLER

C. £9,000 + Profit-sharing Scheme

The division has a £40m. turnover in International Transport and Freight Forwarding. It is part of a larger group and consists of a sub-holding company and a number of UK and Continental subsidiaries. The vacancy has been created by reorganisation of the overall group structure. *Reporting* to the Director responsible for finance and administration of the division, the position will also report functionally to the Group Financial Controller. Responsibilities will include the organisation, interpretation and consolidation of management and statutory accounts, UK and overseas taxation and cash management, in addition to various specific assignments.

Candidates should be qualified Chartered or Certified Accountants.

Previous experience as a Financial Accountant outside the *profession* is expected and post-qualification work with responsibility for a number of operating companies would be useful. The anticipated age range is 25 to 40.

The compensation package includes a car, above-average insurance, plus BUPA and a contributory pension scheme.

For further information and details please contact:—

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Mr. G. Parker
MAT Transport
Arnold House
36-91 Holywell
Lane, London
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Telephone:
01-247 6500.

FINANCIAL CONTROLLER

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Our client, an International and highly specialised service company, owned by one of the top ten 'Fortune' rated multi-nationals, seeks a young qualified accountant.

The successful candidate will report directly to the Finance Manager and controlling some 30 staff will assume overall responsibility for the company's financial function. This key appointment is one of directing, managing and motivating and will need perception, insight and a business awareness to build and improve on the foundations that have already been laid.

This is a challenging opportunity to join a highly profitable, well backed and steadily expanding company and the rewards offered, which are negotiable, will reflect the importance of this appointment.

mca Michael Chapman Associates
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Contact John R. Ellis, FCA on 01-405 3499
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Finance Manager

C. London **From £12,000+Car**

Our client is a privately owned company with a turnover of over £16m importing and marketing well known consumer products.

A new position has recently been created for a Chartered Accountant aged 30-40 who has had previous commercial experience in a computerised accounting environment.

Major responsibilities include the improvement of systems and management information, supervision of administration and accounting and providing financial advice to the Board.

This is an excellent opportunity to be involved in the management of a well known company that can offer further involvement in its subsidiaries and at its head office.

Contact John P. Sleigh, FCCA on 01-405 3499
quoting reference JS/501/FMF

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If you are an able, experienced executive or professional person, yet somehow you are not making the most of your potential, perhaps you need a new approach to your career.
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FINANCIAL MANAGEMENT of International Consulting Firm

An international firm of Architects, Planners and Health Services Consultants requires a qualified accountant of 30-35 to take charge of the firm's financial management reporting to the Managing Director. This is an important position in an established and growing practice and will afford an excellent opportunity for an enthusiastic and energetic person to develop an interesting career, participating in the management of the firm.

Contact Robert Trew, Llewelyn-Davies Weeks
Brook House, Torrington Place, London WC1E 7HN
Telephone: 01-637 0181

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£20,000 p.a. plus accommodation

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TRELLEBORG

Opportunities in South Africa

The Gold Fields of South Africa Group, which currently employs over 75,000 people on its various gold, coal and base metal mines, has vacancies at the Group's Head Office in Johannesburg for:

Investment Analyst (Stock Market)

The Investment Analyst will be required to:

undertake fundamental and technical analysis of various sectors of the market or of specific shares with the object of recommending portfolio investment action;

maintain charts and information for the above purpose.

Applicants should have a university degree and a good working knowledge of national and international economics. They should also have experience in fundamental and technical investment analysis and be familiar with stock exchange operating procedures.

Share Dealer

The Share Dealer will be required to:

gather information regarding market sentiment and make regular reports on market conditions to the Investment Committee;

handle share-dealing programmes through the Stock Market and directly with overseas connections.

Applicants need not have a formal university or professional qualification. The main requirement is experience in stock market operations and having contacts with stockbrokers and other sources of investment information both local and overseas.

Salaries offered are competitive and depend on the level of responsibility carried. Other benefits include air passage to South Africa, re-location and settling-in allowances, accommodation at the Company's expense for an initial period, pension and medical aid schemes and generous leave. Selected applicants will be expected to obtain permanent residence permits.

Interviews will be held at the London offices of the Group's associated company, Consolidated Gold Fields Limited. Please write, with brief relevant particulars, to the Personnel Officer (Ref. GFSA), Consolidated Gold Fields Limited, 49 Moorgate, London EC2R 6BQ, or telephone 01-606 1020 ext. 236.

Gold Fields

Gold Fields of South Africa Limited

Assistant Treasurer

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We are the Eastern Hemisphere Headquarters of a rapidly expanding U.S. Corporation providing a wide range of services and products to the oil industry.

A Corporate Treasury function is now being developed of its control and forecasting procedures. Reporting to the Treasurer, the successful candidate will function as the cash management administrator through projections, currency exposure anaylsis and short-term money market dealings. Viewed as an essential part of the company's management functions, the appointment will encompass receivables administration and involve contact with all management disciplines.

Candidates will be qualified accountants or bankers in their mid/late 20's who have had previous experience of a multi-currency treasury enviroment.

Prospects for advancement within the group are excellent.

Please apply with full curriculum vitae to:

Mrs. A. Payne
Geosource U.K. Limited,
Geosource House, 3-5 The Grove, Slough, SL1 1QG.
Telephone 34696

OPPORTUNITIES IN PROJECT FINANCING

The successful candidates will join the oil/gas or mining teams in the Project Financing Department. They will be responsible for analysing projects on a technical and financial basis and will be involved in structuring financings and in the preparation of their documentation. Additionally they will actively contribute to the Department's marketing activities and assume client relationships.

for young oil/mining engineers

Applicants, preferably aged between 26 and 30 will meet the following main requirements:
- At least two years international finance experience in a major bank or corporation, preferably in the oil/gas or mining sectors.
- Engineering degree, M. Sc. or equivalent.
- Fluency io English and preferably a working knowledge of French, Other languages would be an advantage.

Compensation will be comensurale with experience and qualifications.

AT BANQUE DE LA SOCIÉTÉ FINANCIÈRE EUROPÉENNE

One of the largest international merchant banks

Applications with detailed curriculum vitæ will be treated in the strictest confidence and should be sent to: F. Perlewitz, Manager, Banque de la Société Financière Européenne, 20, rue de la Paix - 75002 Paris.

Financial Director

W. Midlands **c.£12,500+Car**

An autonomous subsidiary of a major British engineering group seeks a qualified accountant aged 30-40 to join its senior management team.

Reporting to the Managing Director you will be responsible for the development of costing information and computer based systems and there will be regular contact involving the financing of home and overseas contracts.

The company, at an important stage of its development, is able to offer considerable challenge in the shorter term and future career opportunities within the parent group. A comprehensive range of fringe benefits including relocation assistance if necessary is available.

Contact John P. Sleigh, FCCA on 01-405 3499 quoting reference JPS/503/FDF

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA *01-405 3499*

BUCKMASTER & MOORE

Mining Analyst

We are looking for an Analyst to strengthen our present research effort on the mining sector.

Applicants could range from those with a few years' experience in a relevant industry, through to a senior person who is already an established figure in the investment analysis of the sector. An ability to produce written work to a high standard is essential.

Salary will be negotiable according to experience. Interested applicants should write to:

Gerry Risdon,
Administration Partner

Buckmaster & Moore

The Stock Exchange, London EC2P 2JT
Telephone: 01-588 2868.

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FINANCIAL DIRECTOR

NETHERLANDS

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This is a challenging position providing international career opportunities for an experienced accountant. We are a subsidiary of a major U.S. multinational corporation and the leading company in Holland in our field of business services.

The Financial Director will be based at the head office in Haarlem and will report to the Managing Director. Controlling the accounts department of 20 staff, be will be responsible for all aspects of financial management. His duties will include:—
- — Further computerisation of accounting systems
- — Development of management reporting procedures and internal controls
- — Budgeting and longer-term planning
- — Cash management and taxation

Candidates should be qualified accountants, aged 30-45, with at least five years post-qualifying experience. A knowledge of Dutch is desirable.

Please submit application including C.V. to:—
Box A7743, Financial Times,
10, Cannon Street, London EC4P 4BY

Accounting Manager/Controller

Multi-national consumer packaged goods organisation is seeking a senior level accounting manager/controller to serve as understudy/trainee to its European group controller. Preferred candidate will have a strong overall business-orientation and possess outstanding technical competence in the accounting disciplines. This background must be coupled with 7-10 years of increasingly responsible accounting and finance experience ... including 2 years as a factory or small company controller. Language fluency in either Spanish, Italian, or French, in addition to English is required.

Following an initial assignment of 18-24 months at a headquarters office in Spain, the successful candidate may look forward to being promoted to the position of controller for an affiliated company in Europe.

Starting salary commensurate with your qualifications.

Please forward résumé and salary history to:
Box A7141, Financial Times
10 Cannon Street, EC4P 4BY
An equal opportunity employer

Financial Controller

Thames Valley **c. £12,000 + Car**

W.H. Brakspear and Sons Limited is enjoying the greatest ever demand for its products. This small independent brewery company and wines and spirits merchant is strengthening its top management team to ensure its full business potential is realised. Over the years they have built up a network of attractive town and country pubs, many of great character, in the Thames Valley and are now rapidly expanding their free house trade. Other new ventures offer similarly exciting prospects.

Recognising that strong financial management will be critical, they are creating the new post of Financial Controller, responsible to the Managing Director for all aspects of the accounting and financial functions. Duties will include the installation of improved accounting and management reporting systems using their in-house computer, feasibility studies and you will be wholly involved in the overall development of the company.

Applicants will be Qualified Accountants aged 30–45 with sound commercial awareness and several years industrial experience involving computer-based systems.

There are excellent prospects of a board appointment for the right person within about two years.

Please send concise personal, career and salary details, or apply for an Application Form, quoting AC 336/FT to:

W.S. Gilliland,
Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.

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Personnel and Industrial Relations Consultants

Chief Accountant

Ben Johnson of York **SALARY—£11,000 +**

We are a leading British printing company recently acquired by R. R. Donnelley & Sons Company of Chicago, the world's largest commercial printer.

We have embarked on a multi-million pound expansion programme which has created the need for an expanded senior management team. We require a Chief Accountant who will respond to the Financial Director for the day to day financial management of the company.

He/she will be required to maintain a high degree of financial control and provide a comprehensive and rapid management information service. He/she will also be expected to contribute to the general management and the future rapid development of the company.

We are seeking to appoint a successful, industrially experienced Chartered Accountant, probably in his/her mid-30's.

A company car and generous relocation expenses will be provided.

Application to: C. H. Renton, F.C.A., Financial Director, Ben Johnson & Co. Ltd., Boroughbridge Road, YORK YO2 5SS.

BEN JOHNSON

A Subsidiary of R. R. Donnelley & Sons Company, Chicago, USA

Financial Controller

Luton ***£11,500+car***

A United Kingdom company, which is a subsidiary of the worlds leading manufacturer of optical products, designs, assembles and markets sophisticated scientific analytical instruments. Growth in volume and profitability has led to their need for a Financial Controller – a new appointment.

Responsibility will be to the Managing Director for
- the introduction of standard budgets, management accounts and information systems
- the interpretation of monthly statistics and period accounts
- general advice on financial policy and
- improving international financial communication with Division

Preference will be given to Chartered Accountants in their early 30s who can offer experience in multi-national and in small companies. They should have worked in the engineering industry: ideally in electronics.

Location Luton. Salary £11,500 + 2 litre Cortina.

Candidates, male or female, should write in confidence for a job description and an application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3836.

Price Waterhouse Associates

Managing Director

East Midlands **c.£17,000 + car**

The Company is successful, highly regarded for technical innovation, a manufacturer of packaging products with established markets in tha food and retail distribution Industries and a member of the leading UK public-quoted Group.

The major challenge is to identify and develop additional markets for an extended and improved product range, improving the current performance levels of profitability.

Success will be achieved through strong personal leadership of the established management team and labour force of 300 employees.

Applications are invited from candidates in the age range 35-50, whose early career progression may fall within marketing, production, finance or technical development, who can demonstrate a high level of achievement in general management.

Please apply in confidence with full career details to Wally Knox, LLB, FIPM or to Robert Miles.

Personnel Resources Limited

HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 7HS. 01-248 6321

TOP ECHELON EXECUTIVE APPOINTMENTS

ASSISTANT PROJECT MANAGER

INTERNATIONAL GROUP **LONDON**

We are looking to recruit an Assistant to the Project Manager of an International Group.

The job entails assessing the viability of Comuanies within the Group, acquiring new Companies and examining Group structures. This will involve financial assessments, market analysis, negotiations and liaison with line management through to successful completion of the project.

Ideal candidates would be aged about 30, a business school graduate or equivalent, with experience of financial investigatory work and be able to present ideas imaginatively and have the ability to approach problems objectively.

The salary is negotiable but will reflect the importance of the job and the experience of the successful candidate.

Please send detailed c.v. in full confidence (stating which Companies application form should not be sent): Box A.7150, Financial Times, 10 Cannont Street, EC4P 4BY.

CORPORATE FINANCE

A leading regional U.S. Investment Bank is forming a subsidiary in London and requires an experienced Corporate Finance Executive to join a small and highly specialized team. Essential qualities include the ability to prepare the relevant documentation for Eurobond financings, effectively market the Bank's corporate finance services in Europe and the U.S., and to render general financial advice. This is an excellent opportunity for an executive with entrepreneurial aspirations who is willing to work independently.

Candidates, aged 25-30, should ideally have a University or equivalent education supported by 2-3 years' working experience in international corporate finance with an established financial institution.

In addition to a competitive salary we offer a comprehensive range of fringe benefits including an attractive bonus scheme after a qualifying period.

Please write in strictest confidence, enclosing curriculum vitae, to:

Box A 7147, Financial Times
10 Cannon Street, London EC4P 4BY

FINANCIAL DIRECTOR (DESIGNATE)

Cantral London — **c £20,000**

Our cliant is a profitable end expanding public company engaged in the development of commercial, industrial and residential property and growth over the past two years has been substantial. To essist in maintaining its present rate of growth tha company is seeking to recruit a Financial Director (*Designate*) to take charge of the team responsible for the financial, accounting and secretariel functions of the company and its subsidiaries. As e key mamber of the management team, the person appointed will also be expected to prasent and interpret financial date for tha Board of Oirectors end make a significant contribution to the development of tha company.

The successful candidate will be a chartered accountant, aged *30 - 45*, with a *good understanding of* The Stock Exchange, company law and the principles of taxation, including D.L.T. and V.A.T. and the ability to evaluate the financial effairs of other companies which may be acquired. Previous experiance in e senior position with a listed company will be an advantage and preference will be given to applicants with experience in *property development.*

The remuneration of this post includes a substantial salery together with a company car, non-contributary pension scheme and B.U.P.A. membership and luncheon facilities.

The position is expected to lead to e main board appointment within one year.

Applications, which will be treated in absolute confidence, should contain relevant details of qualifications and career to dete and be sent to:

Mr. Z. Miles,
Arthur Andarsen & Co.,
1, Surrey Street,
London, WC2R 2PS

Charles Barker Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Chief Accountant
(Up to £15,000 plus car)

Reporting to the Financial Controller the successful applicant will assume responsibility for client and company accounts, cash managament and credit control with some 40 staff. The person appointed will ba familiar with the eccounting and credit policies of Lloyd's and other international Insurance markets.

While formal prolessional qualification is not essential, applicants will have progressed through the eccounting area of an International Insurance broker. They will have experience on computer systems and sound staff management ability in addition to the technical knowledge required for the position. Ref. 1645A

Financial and Management Accountant
(around £12,500 plus car)

Reporting to tha Financial Controller the Financial and Management Accountant will be responsible for all aspects of tha control and preparation of statutory and managamant accounts, a sophisticated system ol budgetary control and for a staff of 15 dealing with general ledger, payroll, VAT and other accounting matters.

A formal prolessional qualification is required, togethar with an up to data knowladge of slatutory requiremants and staff managament ability. Experience ol the Lloyd's Insurance market and of computer systems is desirable. *Ref. 1645B*

Assistant Company Secretary
(Around £11,500 plus car)

Raporting to tha Secratary duties will includa responsibility for tha full ranga of compeny *secretarial matters. In particular* this will require attendance at Board meetings, dealing with leases, the drafting ol legal documents and soma involvement in financial mattars from tima to tima.

In addition to secretarial duties, thara will ba responsibility, with the Financial Oirector, for the review and financial assessment of insurance markets worldwida with which tha company's business is placed.

A lormel prolessional quelification is required together with an analytical mind and, preferably, some knowledga of the insuranca market. Ref. 1645C

Our clients *are* wall known *Lloyds Insurance Brokers with offices* on the Essex borders ol London. Following administrative reorganisetion they have created saveral naw posts in order to strengthan their managemant team.

Salaries will be negotiable according to experience and will be fully commensurale with the responsibilitiea the positiona entail. Attractive staff benefits are available, making each of thesa vacancies an interesting career opportunity.

Anglian Water Authority

DIRECTOR OF FINANCE

Applications are invited for the above post based at the Authority's *Headquarters in Huntingdon.*

The person appointed will be one of a team of five Directors, led by the Chief Executive, and will be the Authority's main adviser on financial matters. Responsibilities will include accounts, standards of financial administration and the central computer service.

Applicants – male or female – should have appropriate qualifications and suitable experience with large organisations in either the public or private sector.

SALARY – UP TO £20,823 p.a.

Further information and application forms may be obtained from:
The Chief Executive
ANGLIAN WATER AUTHORITY
Diploma House, Grammar School Walk,
Huntingdon, Cambs. PE18 6NZ.
Tel. 0480 56181 Ext.295

The closing date for the receipt of completed application forms is 6th June 1980.

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30 Queen Street EC4

FINANCE—CITY

Insurance company has a vacancy offering involvement and positive prospects in the short term.
Age 25/30 with qualifications in accounting or law or business experience if a graduate.
Applicants must have a positive interest in commerce and industry and all allied matters. They must be able to effectively communicate in written material and at meetings with senior management.
Initial salary will depend upon experience and will be reviewed after six months. Other benefits include mortgage.
Write Box A.7146, Financial Times, 10 Cannon Street, EC4P 4BY.

RESEARCH ASSISTANT

required by international firm of oil consultants. The position involves working closely with an experienced analyst responsible for long-term oil and energy supply/demand forecasting and offers a challenging opportunity for a numerate young person with initiative. Applicants should be graduates in their early 20s. Relevant work experience would be an advantage.
Write with c.v. to:
Mr. G. Duxbury,
Petroleum Economics Ltd.,
1-4 Argyll Street,
London W1V 2DS.

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Attractive salary and fringe benefits according to age and experience.
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Finance Manager

London — **c.£18,000**

A major public company in the retailing and distribution of high value consumer products, with a turnover of about £40 million, wish to make a new senior appointment in the finance department in order to strengthen it due to continued growth.

Initially, responsibility will include the budgetary control system, group taxation and secretarial function. It will also involve responsibility for management services and a decentralised computer operation. It is expected that the executive appointed will have the potential and ability to justify advancement to a more senior appointment in the near future.

Candidates aged under 46 must be Chartered Accountants with proven management experience of the finance function in a substantial company. The salary arrangements, pension, company car and benefits are likely to be attractive to a person of Board calibre prepared to make a major contribution to the further development of the Company.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence to,

Peter Lee-Hale,
Spicer and Pegler Management Consultants,
St. Mary Axe House, 56-60 St. Mary Axe,
London EC3A 8BJ.

SUN LIFE ASSURANCE CO. OF CANADA

INVESTMENT ASSISTANT

—FIXED INTEREST SECURITIES

This is an opportunity to begin a career in investment management with an international life insurance company whose U.K. assets, managed in London, exceed £300 million.

We are seeking a recent honours graduate, or one with some business experience, to join a small team within the Investment Department which is concerned with the analysis of economic and financial trends and the management of fixed interest portfolios. The Department is small in number and it is expected that a new member would soon take part in decision making as well as analysis.

We are looking for a young person with a lively interest in current affairs and a degree in a numerate discipline. We would, for example, be pleased to consider a recent graduate in Economics or Commerce, but someone currently employed as an Actuarial Trainee could prove equally suitable. Career development depends very much on how the successful applicant meets the varied challenges encountered in investment work.

A competitive starting salary is offered with excellent fringe benefits including free lunches, a staff mortgage scheme and a non-contributory pension scheme.

If you are interested, please apply, giving brief career details, to:

Mr. S. Ives,
Personnel Department,
SUN LIFE ASSURANCE CO. OF CANADA,
2-4 Cockspur Street,
London, SW1Y 5BH.

SunLifeofCanada

FAR EAST-AUSTRALIA

Manufacturing/ Production Chief Executive

Multinational company is looking for an Executive with a university degree in mechanical engineering with extensive practical and supervisory experience in high manufacturing/heavy industries.

Candidates' record must demonstrate managerial acumen of a high order. Position will require relocation to the Far East/Australia and frequent travelling.

The appointment carries a substantial salary and attractive fringe benefits.

Please send brief career and personal details, telephone and/or telex no. to: Dr. A. Gasser, 59 Effingerstrasse, Berne, Switzerland. Interviews in Europe will take place last week in May.

Financial Accountant Director Designate

Colchester

Inchcape International Trading Limited, part of the worldwide Inchcape Group, wish to appoint a General Managar – Finance who has the ambition and ability to merit an asrly board *appointment.*

Applicants should hava experience in financial and foreign exchange matters relating to internationel trade. They must be able to control a computer *based accounting system* and produce regular financial and management reports. The ebility to operate affectiva financial controls is an essential feature of the appointment.

The successful man or woman should be aged between 30 and 40 and must be a qualified chartered or certified accountant.

Previous experience with an overseas trading company would be an asset.

A good remuneration package will ba offsred to the successful candidate with considarable *potential* on appointment to the board.

Will applicants matching the abova specification please write with full personal and career details to: *The Personnel* Director, U.K., Inchcape Management (Services) Limited, 40 St. Mary Axe, London, EC3A 8EU.

Inchcape

Broaden your horizons?

We are seeking *additional consultants* (ages between 27 and 45) for our Branch in the City of London which covers the Home Counties, and in MANCHESTER for the North West of England.

Consultants should have good academic levels, be knowledgeable in most aspects of personal financial planning and have the ability to put over solutions both verbally and in writing. Ideally candidates should have strong links with professional intermediaries and be able to introduce business.

Competitive salaries are offered, together with a company car (or car allowance) and other benefits.

We are also looking for one or two *trainee consultants* (ages between 21 and 25) who ideally have had some training in personal financial planning or a related business.

Please apply in the first instance, stating for which appointment you are applying, to the Managing Director, Antony Gibbs Financial Services Limited, Alderman's House, Alderman's Walk, London EC2M 3TQ. Telephone: 01-588 4111.

Antony Gibbs Financial Services Ltd.
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Responsible for the Financial Accounting Section of the Company. Reporting to the Board of Directors.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Matching the stonework

WHETHER IT be knapped flint for the repair of old churches, difficult-to-find stones, aggregates, and sands to be used in refurbishment or exposed aggregate claddiog, a British company promises a specialised service.

Users of imported Italian and Spanish aggregales can also switch now to materials available at home says Civil Engineering Developments, 728 London Road, West Thurrock, Grays, Essex (04026 5242).

For many years, CED has specialised in flints, including cobbles for paving, and irregular black flints for exposed aggregate cladding. Many customers have appealed for help in locating other non-standard products and, in attempting to solve their problems, the company also developed experience in meeting stringent specifications required by new technology.

Its aim is to study a comprehensive range of non-standard stones, aggregates and sands which, by virtue of their size, shape, colour, hardness or special grading, are not obtainable from aggregate suppliers in general.

Many of the finely-graded products are available dried and bagged which the company says is particularly useful in conjunction with resin-based compounds.

● INSTRUMENTS

Tests the insulation

MADE IN Germany by Gossen, a compact and accurate high voltage insulation test set is available in the UK from Cropico, Hampton Road, Croydon CR9 2RU (01-684 4025).

The instrument measures only 208 x 98 x 145 mm and weighs 1.4 kg but has an accuracy that falls within class 1.5 and can measure resistance at three selectable voltages of 1.25, 2.5, and 5.0 kV.

Test voltages at d.c. are produced by a hand-cranked generator with no commutator which is maintained at constant speed by a centrifugal governor: the operator merely maintains a constant turning rate of 3 rpm. Switch selection changes the voltage applied and indicates scale multipliers for the meter. There are two resistance ranges for each voltage.

Case construction is in a high grade material which eliminates creeping current due to losses and makes possible the handling of high voltages in such a small case.

The set is supplied complete with high insulation 1.5 metre test leads and an ever-ready carrying case.

● COMPUTING

Electronic cash register

ANOTHER NEW entrant to the UK electronic stand-alone cash register market is Micros Systems Inc. of Maryland, whose products are to be made available in the UK by Norfrond, Mildmay Road, Bootle, Merseyside L20 5EN (051 922 8171).

These units, available as specific models for the restaurant/bar, fast food, general remittance (rates for example) and hotel industries, are also supplied in general purpose form suitable for the retail market ranging from department stores to garages. They have already met with some success in the U.S. since their introduction about two years ago and were designed by some ex-NASA engineers following the wind-down of the space programme.

Although standing alone in concept, the desgin enables up to 15 of the registers to be connected together, one acting as a master. Thus, a quite large store could be equipped, one of the machines acting as a central reporting point and without the need, in general, of a back office computer.

Each machine, not much bigger than an electric typewriter, has a multi-bank keyboard, single line gas discharge display in ¾ inch high characters, with horizontal document printers to the left and ticket roll printer at top right.

The hotel machine, which costs about £3,400, can hold data about 300 rooms and provide some 80 price look-ups such as room rates. Each time the customer's bill is placed in the imprinter, the last entry line is automatically found and the new one added, keyed in from vouchers provided by, say, the restaurant. At the end of the customer's stay, the complete bill is added up for presentation and at the same time the ticket printer produces an authorisation for removal of luggage from the porters' room.

In the summer the company will be providing a register for use in the restaurant that can be directly connected to reception and will automatically enter restaurant expenditure.

The general purpose machine, mainly for shop use, can handle 96 department totals and 2,400 price look-ups, printing a customer receipt for each transaction entered on the keyboard and duplicating the data on a journal roll.

The reports given by all these machines (up to 14 on the hotel machine for example) are designed to be of maximum help to the management. They consist of analysis by department, by group, by assistant, by time and a number of special reports designed to give important information in easily digestible form.

A useful facility is that of remote price changing, in which the master unit can signal the 14 slaves to alter data in the price banks in accordance with central policy. Communication is over an ordinary telephone line. The registers can also feed a data capture unit for onward transmission to a computer at a later time, or can be connected on-line to a computer.

The Polymatic 4 machine being used to sharpen helical milling cutters with inserted blades

● SAFETY

Portable pumping unit

A LIGHTWEIGHT, portable pumping unit with hoses and fuel, all contained within a self-righting floating cannister, can be dropped by rescue aircraft alongside vessels in distress and used as a boat rescue device, says Sykes Pumps, Woolwich Road, Charlton, London, SE7 (01-858 8121).

The pump is of the self-priming centrifugal type equipped with 1½-inch screwed suction and discharge fittings, and is capable of delivering up to 90 gallons a minute. Power is provided by a Briggs and Stratton four-stroke 5-hp air-cooled petrol engine.

There are 20 feet of suction and 30 feet of delivery hose and enough fuel for three to three and a half hours running time. Whole package weighs less than 100 lb and measures 23 in by 23 in diameter.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● METALWORKING

Grinding machines from Switzerland

AVAILABLE FROM TI Rockwell and made in Switzerland by Robert Habib are two new cutter/grinder units, one a universal model for use on tools and the other a computer numerically controlled type.

Universal machine is the Polymatic 4 and it has a heavy duty wheelhead with a 4 hp motor together with an 8 inch diameter Borazon grinding wheel. There are five spindle speeds between 1500 and 6000 rpm and the table stroke is 600 mm. An automatic cycle gives rapid approach to the work, creep feed, rapid end of stroke feed and rapid return to start position; indexing after each pass is automatic. The machine is said to be quick and easy to set up and is fitted with hydraulic and electronic controls.

The other machine is the Polytronic, with machine functions controlled by a microprocessor. It is available with three centre distances of 500, 600 and 1000 mm, each with a diameter capacity of 280 mm. Smallest machine has a self-contained 2 hp wheelhead and the larger models two, four or 6 hp. Grinding spindle speeds are infinitely variable between 1500 and 900 rpm.

Both the longitudinal table drive and the workhead spindle use stepipng motors and the table speed is variable between 10 and 9000 mm/1min. Creep feed or conventional grinding can be employed.

Various modes are selectable from the control panel including helices from zero to infinity, number of workhead indices, radial infeed, cutter diameter, grinding length and wheel spindle speed. The panel has coded push buttons for facility selection and a conventional keyboard for digital data input. The spindle speeds are selected by potentiometer.

TI Rockwell Bennett is at Welsh Harp, Edgware Road, London NW2 (01-452 0033).

● RESEARCH

Food additives market

VALUE OF the UK food additives market is now over £150m a year. Two classes of additive account for over half the sales. Flavours are estimated to comprise 32 per cent of the total market whilst thickening and stabilising agents comprise over 25 per cent.

The third largest market sector is for acidulants whilst other important food additive categories include colours, emulsifiers and surfactants, flavour enhancers, nutrients, phosphates, preservatives and antioxidants and sweeteners.

These are amongst the main conclusions reached in a new major review "Depth Study of the Food Additive Industry in the UK", available from Industrial Aids, 14, Buckingham Palace Road, London SW1W 0QP (01-828 5036). The study, which costs £600 gives a review of the types of food additives used, the uses to which they are put, and highlights current trends in the industry.

Names and addresses of about 150 suppliers are listed and detailed financial profiles are given of about 100 companies active in the industry.

Information is given on over 350 compounds which are permitted for use as food additives in the UK.

● ENERGY

Measuring heat flow

CONSUMERS who obtain their water for industrial heating purposes via district heating or centralised heating systems are increasing in number.

The precise number of thermal units consumed in homes of all sizes can be monitored with a heat meter. The device comprises an electronic section with a heat consumption counter or a combined heat and hot-water consumption counter. Both versions have cyclical progress indicators on a six-digit non-resettable display.

The low maintenance heat meter is available with long-life (approximately 10 years) lithium batteries and is, therefore, independent of the mains supply. The casing degree of protection is in accordance with IP 40 to DIN 40 050 and can be lead-sealed, so preventing tampering.

Pt 100 resistance thermometers are fitted in the supply and return pipes of the hot-water system to detect the temperature in the heating and service water circuits. The resultant signal, which is proportional to the temperature difference, is converted into a temperature - proportional frequency. The hot-water meter thus transmits pulses corresponding to a specific flow rate and actuates the counter electronically.

The meter has been registered at the German Federal Testing Laboratory under certificate No. 1B 13-1372/79. The amount of energy used for home heating or the heat content of the hot water used can be accurately measured using the heat meter in a similar manner as an electricity meter measures the consumed electrical energy.

Siemens House, Windmill Road, Sunbury-on-Thames, Middx TW16 7HS. 09327 85691.

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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS AT 30th APRIL 1980

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises nver 550 institutions from about 30 countries.

Eurobonds in April

TO virtually every bond dealer and new issue manager's relief, April turned out to be the best month in the Eurobond market for a very long time. More than $1.7bn worth of new dollar issues was floated while the volume of new Deutsche Mark denominated foreign bonds was the highest since last December.

Prices rose very substantially in both major sectors and bond yields declined in consequence. The dire predictions that the Eurobond market as we have come tn know them might fall into oblivion have, for the time heing, been forgotten. Last month's activity came despite warnings such as those contained in the April issue of Scandinavian Bank's monthly Bondmarket Review: "It would not be surprising if traditional bond investors baulked at the reopening of the markets at higher levels even than those currently prevailing, simply because they do not have enough confidence that, over the life of the investment, the value of thet investment would be protected."

It is well worth pausing to ask where the massive volume of new paper has gone. Some bondhouses, particularly those which missed the market's take off argue that most of the bonds have ended up in bank vaults.

The dollar sector nf the new issue market was characterised by two things: first nf all the very high proportion of fixed interest paper, something which stands in sharp contrast tn what bas been the case since last summer; second the large numbers of U.S. corporate names who tapped the market. Snch borrowers are attracted by the cheapness of the funds they can raise in Europe relative to the New York bond market, the ease and speed with which a bond issue can he arranged and the favourable—at least to the borrower—call provisions that can be included. The size of the new issue calendar did not really have a dampening effect on secondary market prices, except nn odd days—but then nther factors were also et play such as the news of the failure to rescue the U.S. hostages on Friday April 25. A number of issues quickly moved to a premium, of nearly 7 points in the case of the Sweden bond, in secondary market trading.

Many dealers had forgotten snch a thing could happen, because it has not for a very long time. Other issues quickly fell to a sharp discount. This divergence in performance seemed to underline the fect that investors still make a sbarp distinction between what they see as good quality borrowers and what they see as second rate ones.

Sovereign borrowers re-emerged in the new issue market but only Sweden so far bas been prominent, having arranged around $1bn equivalent in Eurobonds since the beginning of this year. French borrowers are back bnt so far beve not raised large amounts. The queue of sovereign guaranteed borrowers, not least from European countries is known to he very long and many such names are expected to come to the market if the favourable conditions which have prevailed in recent weeks continue.

There continnes to be mnch speculation in the market as to the exact amount of buying by investors as opposed to banks. It is also difficult to escertain the exact proportion of increased turnover which is pure investment as compared to speculative interest. Those bond bouses which have brought a number of new issues to the market tend to argue thet investor buying is strong while those houses which have not brought any new issues and are absent from management groups argue that most nf the bonds are being bought by the banks or the dealers. Where the exact balance lies is not easy tn ascertain bnt investment fund managers do confirm they have been buying bonds. As bond prices in the secondary market continne to climb, the number of players increases, for two reesons: the first because of the increased liquidity in the market, the second because prices of seasoned issues are now back to the levels of last December.

This bas given some investors the opportunity to sell or to switcb paper that they held through the early months of this year wben prices fell very heavily without incurring the heavy losses as bond prices plummeted.

How long this rally lasts is not easy to predict. U.S. dollar interest rates have fallen very sharply during April, the six-month Eurodollar rate ending April et 14½ per cent, more than five points below where it was after Easter. At the same time D-Mark rates have moved upwards. The gap has considerably narrowed between dnllar and Dentsche Mark rates and investors bave been moving back into D-Mark denominated peper. Earlier in the month, the appearance nf the first 10 per cent coupon on a foreign D-Merk bonds in over two years acted as a tonic. What helped the market was also the interest shown by domestic German investors. Yields on foreign D-Mark bonds bave been higher than on domestic ones.

Hence, when foreign investors stopped buying D-Mark paper in March, their place was quickly taken by domestic German investors. So strong was the demand for foreign D-Mark bonds tha tthe initial calendar nf DM 100m—a bond for IBM—was increased more than tenfnld during the month. Conpons also came down, to 9 per cent by May 1. Issues often went to e premium as they started trading and, lete in April, a calendar of new issues amounting to DM 750-800m was agreed by the Capital Markets Sub Committee.

Foreign buyers have been, once again, attracted to D-Mark foreign bonds by the strength of the German currency against the dnllar. The Swiss franc sector has elso witnessed a steady flow of new issues and coupons on the decline while the new Norwegian Krone sector witnessed the launching of the third Eurobond denominated in that currency.

The first Guilder denominated issue since last winter was successfuly arranged for Amro NV while the Canadian dnllar sector ewoke efter e long period of slumbers. Two French franc bonds were arranged, including e very successful one for EDF.

Throughout last month investnrs moved money which they had held on time deposit hack into lnnger term paper. A larger volume of bonds was erranged than during any mnnth thie year. This movement may continue in May but many dealers and new issue managers are wondering ift he sharp fall in U.S. dollar rates might not bave, et eome stage, a lethal effect on the value of the U.S. currency. Last month the dollar declined quite sharply against most major currencies, not enongh bowever to frighten investors back into harder currencies.

CONTENTS

The table of quotations and yields gives the latest rates available on 31st March, 1980. This information is from reports from official and other sources which the Association nf International Bond Dealers considers to be reliable, bnt adequate means of checking its eccuracy are not evailable and the Association does not guarantee that the Information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD. ★ *A subsidiary of data STREAM International*

Amount Est. bid price	Year of issue Issue price	Borrower/ Coupon maturity		Price	Yield to maturity	Current yield
		US DOLLARS-ALGERIA				
35	1977 100.00	[illegible] 9.00 15/ 5/1982		87 1/2	15.86	10.29
		US DOLLARS-[illegible]				
50	1979 98.50	[illegible] 9.875 1/ 8/1986		81 1/2	16.37	12.12
		US DOLLARS-AUSTRALIA				
30 5.0	1963 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983	S	89	9.61 12.87	5.70
25 .7	1960 98.00	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980	S	96	21.55	5.46
25 3.0	1961 97.00	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1981	S	91 5/8	14.41 25.46	6.09
30 3.3	1962 98.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982	S	90 5/8	12.72 18.81	6.16
20 4.2	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982	S	90 1/2	10.77 15.10	6.17
25 3.5	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982	S	90 3/8	10.33 13.53	6.18
25 6.3	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985	S	86	8.67 11.43	6.35
25 8.8	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985	S	88	8.45 10.55	6.57
25 9.4	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982		90 1/4	11.92 13.42	7.20
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984		87 1/8	11.40	8.61
150	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982		92 1/2	12.61	8.65

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US DOLLARS (CONTINUED)

30	1976 100.00	L.M. ERICSSON 8.50 15/ 5/1981	87 3/4	13.19	9.69
30 30.0	1977 100.50	L.M. ERICSSON 8.50 15/ 4/1989	85 1/8	11.43 12.50	10.23
30 16.0	1970 99.50	L.M. ERICSSON 8.25 1/12/1985	94	10.70 11.30	9.04
35 30.0	1976 100.00	L.M. ERICSSON 9.25 15/ 9/1991	84 3/8	11.75 11.97	10.99
35	1976 100.00	[illegible] 9.00 15/10/1986	74 7/8	15.36	12.02
35	1976 100.00	[illegible] 9.50 15/ 3/1983	85 1/2	17.50	11.30
50	1977 99.25	[illegible] 8.50 15/ 3/1989	76 5/8	13.09	11.09
15 11.3	1971 98.50	SANDVIK 9.00 17/ 8/1986	80	13.48 15.51	11.16

CANADIAN DOLLARS (CONTINUED)

AMOUNT (EST. OUS (MM))	YEAR OF ISSUE / ISSUE PRICE	BORROWER/ COUPON/MATURITY	PRICE	YIELD TO MATURITY/ TO AVER. LIFE	CURRENT YIELD
60	1977 99.25	CANADIAN NAT RAIL CO 8.375 1/ 3/1987	82 3/8	12.69	10.77
35	1976 100.00	CANADIAN PACIFIC SECS 9.25 15/ 4/1983	93 3/8	12.03	9.91
25	1975 100.50	CANADIAN PACIFIC SECS 9.75 15/12/1981	95 7/8	14.11	10.39
25	1977 100.00	CHRYSLER CREDIT - CANADA 9.25 15/ 6/1982	55	46.81	16.82
30	1976 99.00	CHRYSLER CREDIT - CANADA 9.50 15/10/1982	55	41.83	17.27
20	1978 100.00	CORN CREDIT CORP - CANADA 9.75 15/ 5/1981	93 7/8	16.57	10.39
30	1977 100.00	CREDIT FONCIER F-CAN 8.75 15/ 2/1982	90 5/8	15.02	9.66
30	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 2/1981	95 3/8	16.25	10.22
25	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 7/1981	94	15.44	10.37
30	1979 100.00	CREDIT FONCIER F-CAN 16.375 15/ 9/1984	87 1/4	14.45	11.49
15	1977 100.00	DRESSER IND (CANADA) 8.50 15/ 3/1982	89 1/4	15.49	9.52
50	1976 100.00	DU PONT OF CANADA 9.50 15/ 2/1981	95	16.55	10.00
50	1976 100.50	EUROPEAN COAL & STEEL 9.00 15/ 3/1983	87 7/8	14.41	10.24
25	1977 100.50	EUROPEAN COAL & STEEL 9.00 15/ 4/1984	86 5/8	13.58	10.39
30	1979 100.00	EXPORT DEVELOPMENT CORP 10.00 15/ 5/1984	89 1/4	13.62	11.20

WestLB Euro-Deutschmarkbond Quotations and Yields

Issue	Middle Price	Current Yield	Yield to Maturity	Life	Repayment
6% Rep. of Austria 77/87 PP	95.00	7.06	9.68	5.77	15. 7.84—88D
5¾% Rep. of Austria 78/88 PP	82.50	8.97	9.66	8.11	1.11.85—90D
5¾% Rep. of Austria 78/90	81.50	7.08	8.47	10.50	1. 9.84
6¾% Rep. of Austria 79/84 PP	92.00	7.34	8.04	4.33	1. 9.87
7% Rep. of Austria 79/87 PP	90.00	7.78	8.90	7.33	1. 2.84—89D
6¾% Rep. of Austria 79/89 PP	84.00	7.44	8.64	6.11	1. 9.89D
7¼% Rep. of Austria 78/89 PP	90.50	8.01	8.77	8.33	1. 9.89
7% Autopistas Cataluna 78/85 PP	88.50	7.91	10.17	4.71	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	97.50	7.44	9.12	4.17	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	96.75	8.27	9.39	3.24	1.10.77—86D
6¾% Autopistas Espanola 72/87 (C)	91.75	7.36	8.48	3.88	1.10.78—87D
7¼% Autopistas Espanola 78/86 PP (G)	90.75	7.99	8.73	4.83	1. 3.85
7¼% Banco N. Desarrollo 78/86 (G)	85.75	8.45	10.64	8.83	1. 8.86
8% Banco N. Obras 71/86 (C)	85.25	9.40	9.18	8.50	1.11.77—86S
9% Banco N. Obras 76/81 (G)	98.75	9.02	8.13	1.33	1. 8.81

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.00%

Issue	Middle Price	Current Yield	Yield to Maturity	Life	Repayment
7¼% Banco N. Obras 77/82 PP (G)	95.00	7.63	9.75	2.29	18. 8.82
7% Banco N. Obras 77/82 PP (G)	94.75	7.39	9.46	2.46	18.10.82
7% Banco N. Obras 77/84 (G)	91.85	7.62	9.31	4.42	1.10.84
5¾% Bk. America Overs. Fin. 78/90	82.00	7.01	8.39	10.50	1.11.90
6% Bank of Tokyo 78/86 PP	84.00	7.14	9.75	5.75	1. 2.86
7½% Banque Ext. Algerie 77/83	91.75	8.17	10.43	3.46	15.10.81—83D
7¼% Banque Ext. Algerie 77/83	87.00	8.33	11.07	4.47	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	89.00	8.15	12.03	2.82	1. 3.83
6¾% Barclays Overs. Inv. 79/89	88.0	7.67	8.73	9.00	1. 8.89
8% Barlow Rand Inv. 78/82 I PP	93.00	8.60	11.61	2.28	15. 8.82
8% Barlow Rand Inv. 78/82 II PP	93.00	8.60	11.48	2.37	18. 9.82
8% BASF 65/80	99.75	8.02	6.51	0.42	1.10.71—80D
7½% BEC Finance 76/83 PP	94.00	7.98	9.57	3.50	1.11.83
8% Beecham Fin. 76/83	99.00	9.08	9.31	3.50	1.11.83

Issue	Middle Price	Current Yield	Yield to Maturity	Life	Repayment
5¾% Finland 78/86	85.10	6.75	9.19	8.75	1. 2.88
8% Finland 78/86	96.50	8.29	8.70	9.82	18.12.86
7½% Finn. Kommunal 69/81 (C)	97.50	7.69	10.26	1.07	1.12.72—81D
8% Finn. Kommunal 71/83 (C)	98.50	9.12	9.03	1.37	2. 5.76—83D
6¾% Forsmarks 75/83 (C)	98.40	8.38	8.08	2.14	1. 7.80—83D
5¾% Forsmarks 78/90 (C)	64.50	9.80	9.23	5.98	16. 1.83—90D
7½% Francetel 76/83 (G)	96.75	7.75	8.60	3.48	18.10.83
6¾% Francetel 77/84 PP (G)	93.00	7.26	8.94	3.92	1. 4.84
7% Fuji Heavy 78/81 PP	96.00	7.29	8.78	1.58	1.12.81
9¾% Gen. Zbk. Vienna 75/82 PP	98.50	9.39	10.15	1.83	1. 3.82
6½% Gen. Zbk. Vienna 78/83 PP	97.00	8.78	10.02	2.24	1. 2.82—83D
8% Gen. Zbk. Vienna 77/87	86.75	8.32	8.16	5.50	1.12.83—87D

WestLB

For current prices and further information call

Düsseldorf
Westdeutsche Landesbank Girozentrale
P.O.Box 1128
4000 Düsseldorf 1/FRG

Telephone 8263122, Telex 8581882 — International Bond Trading Dept.
Telephone 8263741, Telex 8581882 — Institutional Investors Dept.

London
Westdeutsche Landesbank Girozentrale
London Branch
41, Moorgate
London EC2R 6AE/UK
Telephone 6386141
Telex 887984

Luxembourg
WestLB International S.A.
32–34, bd Grande-Duchesse Charlotte, Luxembourg
Telephone 4474143
Telex 2831

Hong Kong
WestLB Asia Limited
1301 Hutchison House
Hong Kong
Telephone 258208
Telex 75142

Westdeutsche Landesbank Girozentrale
Leading Marketmakers in Eurobonds

Issue	Middle Price	Current Yield	Yield to Maturity	Life	Repayment
9¾% Giroz. Vienna 74/80 PP	100.00	9.75	9.65	0.58	1.12.80
7% Giroz. Vienna 75/81	97.25	7.20	8.88	1.60	1.11.81
7¼% Giroz. Vienna 75/83	97.00	7.47	9.25	3.50	1.11.83
5½% Giroz. Vienna 77/82	92.50	5.95	9.07	2.42	1.10.82
5¾% Giroz. Vienna 78/86 PP	84.75	6.75	8.86	6.42	1.10.86
6½% Giroz. Vienna 75/84 PP	91.50	7.51	9.35	4.25	16. 8.84
6% G. I. S. 78/83 PP	92.00	6.52	9.33	2.83	1. 3.82—83D
7% Grand Metrop. Fin. 77/84	91.50	7.65	9.51	4.25	1. 9.81—84S

Issue	Middle Price	Current Yield	Yield to Maturity	Life	Repayment
8% Danish Export 77/82 PP	94.50	6.35	10.17	1.47	1.11.78—82D
5¾% Danish Export 78/83 PP	92.75	6.20	9.81	2.05	1. 8.79—83D
8¼% Den Danske Bk. 76/86	96.50	8.56	8.97	8.50	1.11.82—86S
6¼% Denmark 65/80 PP	98.25	8.62	11.18	0.42	1.10.72—80S
7% Denmark 69/84	99.75	7.02	7.18	4.25	1. 8.75—84S
6¾% Denmark 72/87	92.50	7.30	8.10	7.58	1.12.78—87S
9¼% Denmark 74/89	100.50	9.20	9.10	4.73	1. 3.80—89S
8¼% Denmark 76/82	99.75	8.27	8.37	1.75	1. 2.82
6% Denmark 76/82	98.50	6.12	6.70	2.33	1. 9.82
6¾% Denmark 77/83	94.50	7.14	8.89	3.04	18. 5.83
7¼% Denmark 77/87	91.00	7.97	8.03	7.04	18. 8.87

WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:
—to final maturity in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case the bond issue provides for mandatory drawings by lot at par only
PP—Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)

WestLB Euro-Deutschmarkbond Yield Index

April 30, 1980: 9.19% (March 31, 1980: 10.44%)

CONVERTIBLES-U.S. (CONTINUED)

[illegible]

CONVERTIBLES-U.S. (CONTINUED)

[illegible]

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios
Quotations & yields as at 30th April, 1980

SOCIETE GENERAL De BANQUE
BANQUE GENERALE Du LUXEMBOURG

Fund 30/4/80	Price	First Issue Price	Yield %	Div. Date	1/5/77 High	30/4/80 Low	1/5/79 High	30/1/80 Low
Rentinvest	LuxFr 756	LuxFr 1000	9	20/11/79	LuxFr 918	LuxFr 742	LuxFr 860	LuxFr 742
Capital Rentinvest	LuxFr 1344	LuxFr 1000	(F65 (Capitalisation)		LuxFr 1430	LuxFr 1217	LuxFr 1430	LuxFr 1321

WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory drawing by lot at par S-sinking fund P-purchase fund
6½% Stand. Chart. Bank 78/88	98.50	7.51	8.00	7.67	1. 1.88
6% Statoil 78/88 (G)	85.00	7.00	8.58	8.33	1. 9.84—88S
6½% Statoil 79/89 (G)	88.75	7.32	8.34	6.83	1. 3.86—89S
7% Statsforetag 77/85	94.75	7.39	8.35	4.83	1. 3.82—86D
10% Steiermark 74/80 PP	100.00	10.00	9.71	0.42	1.10.80
8¾% Stockholm County 75/87	99.50	8.79	8.90	3.75	1. 4.79—87D
8½% Sumitomo Metal 75/82	101.50	8.37	7.70	2.17	1. 7.82
7½% Sun Oil Int. Fin. 73/88	98.50	7.61	7.74	8.25	1. 4.79—88S
7¼% Svenska Cell 73/85	95.10	7.62	8.12	7.75	1. 2.79—88S
8% Svensku Taendst. 75/85	102.00	8.82	8.14	2.78	1. 3.80—85S
6¾% Sveriges Inv. Bk. 72/87	93.00	7.26	8.12	6.83	1. 3.79—87S
7% Sveriges Inv. Bk. 73/88	82.25	7.68	8.38	7.83	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	90.75	8.52	8.59	3.08	1. 6.80—83S
6½% Sweden 77/84	94.65	6.87	8.12	4.00	1. 8.84
6% Sweden 77/88	84.25	7.12	8.45	9.58	1.12.83—88S
7¾% Sweden 79/89	97.00	7.99	8.22	9.17	1. 7.89
7½% Sweden 79/89 PP	89.00	8.43	9.32	9.25	1. 8.89
8% Sweden 80/87 PP	94.25	8.49	9.16	6.79	16. 2.87
9¾% Sweden 80/87	106.75	9.13	5.42	6.92	1. 4.87
9½% Tauernautobahn 74/81 (G)	100.05	9.50	9.40	1.17	1. 7.51
9% Tauernautobahn 75/82 PP (G)	99.50	8.05	9.28	1.83	1. 3.82
9% Tauernautobahn 75/83 PP (G)	99.50	9.05	9.19	2.83	1. 3.83
5½% Tauernautobahn 78/93 (G)	77.75	7.07	8.38	12.92	1. 4.84—93S
7% Tauernkraftwerke 68/83 (G)	96.75	7.24	8.28	1.72	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	98.00	6.63	7.31	3.33	1. 9.74—83S
8% Tenpfinco 73/93	90.50	8.84	8.25	13.50	1.11.83—93S
9½% Tenpfinco 75/82 PP	98.00	9.69	10.72	1.83	1. 3.82
6¼% Thailand 78/83 PP	90.00	6.94	10.39	2.92	1. 4.83
8½% Thyssen Car. Fin. 75/82 PP	99.75	8.52	8.63	1.92	1. 4.82
8¼% Thyssen Car. Fin. 75/82 PP	96.50	8.38	8.02	2.17	1. 7.82
6½% Thyssen Inv. 66/81	100.00	8.50	8.46	0.83	1. 3.72—81D
7¼% Tokyo El. Power 69/84	98.50	7.51	8.03	2.50	1.12.75—84D
8½% Tokyo El. Power 79/85	93.40	8.98	8.18	5.00	1. 5.85
5½% Toyo Rubber 78/83 PP	90.00	8.11	9.01	3.42	1.10.83
8½% Trnl. House Fin. 72/87	93.25	8.97	7.72	7.42	1.10.78—87S
8% Trinidad & Tobago 78/83	90.25	8.65	10.01	2.92	1. 4.83
8¾% Trondheim 68/83	96.10	7.02	8.18	3.56	1.12.72—83S
5¾% Trondheim 78/88	83.50	8.89	8.07	6.89	1. 4.86—88D
7½% T R W Int. Fin. 69/84	97.50	7.69	8.35	4.42	1.10.75—84S
6% T V O Power 78/88 (G)	84.00	7.14	8.94	7.75	1. 2.84—88S
5¾% UDS Group 78/83	89.50	8.42	8.55	3.33	1. 9.83
6¾% Unilever 74/81 PP	100.50	8.70	8.32	1.58	1.12.81
8½% Unilever 75/87	104.00	8.17	7.39	4.34	1. 5.81—87S
6½% Union Bank Finland 78/88	84.00	7.74	8.26	6.62	18.12.84—88S
5¾% Uniroyal 78/84 PP	80.00	7.19	12.01	4.25	1. 8.84
6¾% Unit. Arab Emirate 7/82 PP	93.00	7.26	10.88	2.00	30. 4.82
7% Venezuela 68/83	95.00	7.37	8.81	3.42	1.10.74—83S
6% Venezuela 78/88	80.25	7.48	8.71	7.83	1. 3.84—85
6½% Venezuela 78/90	81.25	8.00	8.37	10.50	1.11.85—90S
7% Vienna 68/83	99.50	7.04	7.31	3.08	1. 6.74—83S
8¼% Vienna 75/84	99.40	8.30	8.53	2.17	1. 8.78—84D
5¾% Vienna 75/84	61.00	6.32	8.15	4.62	15.12.84
8½% Voest Alpine 73/88	99.75	8.52	8.53	8.42	1.10.79—88S
8½% Voest-Alpine 76/85	100.25	8.48	8.39	3.00	1. 8.81—85D
6¾% Voest-Alpine 77/89	99.00	7.58	8.07	8.46	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	87.50	7.43	8.82	8.50	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	99.75	8.77	8.90	4.83	1. 3.85
5½% Worldbank 65/85	96.25	5.71	8.50	4.92	1. 4.71—85S
6½% Worldbank 68/80	99.20	8.55	8.65	0.25	due 1. 8.80
6½% Worldbank 68/84 PP	95.00	8.84	8.17	2.11	2. 1.77—84D
6½% Worldbank 69/84	96.00	6.77	8.45	3.53	1. 6.76—84D
8½% Worldbank 69/84 PP	95.00	8.84	9.17	2.11	2. 1.77—84D
8% Worldbank 69/84 PP	94.00	8.38	8.92	2.36	1. 4.77—84D
8½% Worldbank 70/80	99.80	8.52	8.44	0.25	due 1. 8.80
8% Worldbank 70/85	98.00	8.18	8.75	3.04	1. 1.77—85D
7½% Worldbank 71/86 I	95.76	7.83	8.97	3.46	1. 6.77—86D
7½% Worldbank 71/86 II	95.60	7.85	8.03	3.41	1.12.77—86D
6½% Worldbank 72/82	97.50	8.67	7.78	2.17	1. 7.82
6¾% Worldbank 72/87	93.00	7.26	9.07	3.86	1. 3.78—87D
6¾% Worldbank 73/83	96.25	7.09	8.75	2.75	1. 2.83
6½% Worldbank 73/88	90.85	7.02	8.05	4.27	1. 5.79—88D
8¼% Worldbank 75/82 PP	99.00	8.35	8.78	2.08	1. 6.82
8% Worldbank 75/2	100.00	8.00	7.97	2.58	1.12.82
8¼% Worldbank 75/83	100.00	8.25	8.23	3.17	1. 7.83
8% Worldbank 76/82 PP	98.00	8.18	8.99	2.25	1. 8.82
7¾% Worldbank 76/82 PP	96.00	8.07	8.64	2.42	1.10.82
7½% Worldbank 76/83	99.00	7.58	7.89	3.00	1. 5.83
7¾% Worldbank 76/83	97.50	7.95	8.60	3.42	1.10.83
6¾% Worldbank 76/83 PP	92.00	7.34	9.46	3.58	1.12.83
8% Worldbank 76/84	100.25	7.98	7.90	3.75	1. 2.84
5½% Worldbank 77/82 PP	92.00	5.98	9.39	2.37	15. 9.82
7% Worldbank 77/85 PP	92.25	7.59	8.04	4.83	1. 3.85
6½% Worldbank 77/85 PP	88.00	7.39	8.64	5.00	1. 8.85
8% Worldbank 7/85	99.75	8.78	8.70	5.37	15. 9.85
7% Worldbank 77/87	93.00	7.53	8.40	8.67	1. 1.87
6½% Worldbank 77/87	89.00	7.30	8.68	7.00	1. 5.87
5¾% Worldbank 78/84	91.75	8.27	8.11	4.25	1. 8.84
8% Worldbank 78/88	83.75	7.18	8.85	8.25	1. 8.88
8¼% Worldbank 78/88	85.00	7.35	8.80	6.58	1.12.88
5¾% Worldbank 78/90	81.50	7.06	9.03	8.20	1. 2.87—90D
7% Worldbank 79/85 PP	92.00	7.61	8.96	5.25	1. 8.85
7¼% Worldbank 79/87 PP	92.00	7.74	8.65	7.29	1. 8.87
7¾% Worldbank 79/91	92.25	8.40	8.88	11.17	1. 7.81
10% Worldbank 80/86	106.25	9.50	8.84	8.00	1. 5.86
7¼% Worldbank 80/90	84.25	8.38	8.77	9.67	1. 1.90
7¼% Worldbank 80/90 II PP	93.00	8.47	8.98	9.67	1. 1.90
10% Worldbank 80/90	105.75	9.48	8.10	10.00	1. 5.90
6¾% Yokohama 68/83 (C)	97.60	8.92	7.72	3.33	1. 9.72—83S
7% Yokohama 69/84 (G)	99.50	7.04	7.26	4.41	30. 9.73—84S
8% Yokohama 71/86 (C)	98.50	8.13	8.30	6.25	1. 8.77—86S
8¾% Yoshida Kogyo 75/80 PP	99.50	8.79	11.52	0.17	due 1. 7.80
8% Yugosl. Inv. Bank 77/84 PP	82.25	8.67	10.18	4.62	15.12.79—84S

AIBD
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Nederlandse Credietbank N.V.
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Bankers Trust International Limited
Bondtrade
Chase Manhattan Ltd.
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Daiwa Europe N.V.
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First Chicago Limited
Goldman Sachs International Corp.
Hambros Bank Limited
IBJ International Limited
Kidder Peabody Securities Limited
Loeb, Rhoades, Shearson International Ltd.
London & Continental Bankers Ltd.
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Morgan Stanley International
Nesbit, Thomson Limited
New Japan Securities Europe Ltd.
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Nomura Europe N.V.
Orion Bank Limited
Pinchin, Denny & Co.
Ross & Partners
Salomon Brothers International Ltd.
Samuel Montagu & Co. Ltd.
Scandinavian Bank Limited
Strauss, Turnbull & Co.
Sumitomo Finance International
Vickers, da Costa & Co. Ltd.
S. G. Warburg & Co. Ltd.
Wedd Durlacher Mordaunt and Co.
Westdeutsche Landesbank Girozentrale
White Weld Securities
Wood Gundy Ltd.
Yamaichi International (Europe) Ltd.

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Kidder, Peabody & Co. Inc.
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Lazard Freres & Co.
Merrill Lynch, Pierce Fenner Smith Inc.
Salomon Brothers
Atlantic Capital Corporation

REGION 11 - MIDDLE EAST

The Arab Co. for Trading Securities S.A.K.

AIBD

EXPLANATORY NOTES AND ABBREVIATIONS

SPECIAL REFERENCES

1. General—attached to name of borrower

D	=	Domestic Management Group
L	=	Bondholders option to redeem loan prior to maturity or to extend maturity
P	=	Private or semi-private placement
MC	=	Principal/Interest payable in more than two currencies
W	=	Withholding taxes (with percentage rate %)
WW	=	With warrants
XW	=	Ex warrants

2. £/DM Issues

The figures shown are the fixed £/DM parities which prevail over the lives of the issues.

3. Floating rate issues

The figures given are the minimum coupon rate: % margin above LIBOR.

4. Attached to maturity description

S	=	Semi-annual payments
Q	=	Quarterly payments

5. Convertible Issues

The share price is always denominated in the same currency as the conversion price. Please note that where the premium exceeds 200% no fig. is shown in premium/discount column.

The following convertible bonds are subject to convertibility into the indicated stocks.

NAME OF BOND			CONVERTIBLE INTO
American Tobacco Int.	5¼	1988	American Brands Inc.
Asia Navigation Int.	6½	1989	East Asia Navigation Co.
Bankers Int. (Lux)	5	1986	Bankers Trust New York
Broadway—Hale Stores	4¾	1987	Carter Hawley Hale
Burmah Oil	5½	1988	Bhoil Transport & Trading
Chevron Oil O/S	5	1988	Standard Oil of California
Dart Industries	4¾	1987	Minnesota Mining & Manufacturing
Inter-Continental Hotels	7	1986	Pan-Am World Airways
Int. Standard Elec.	5	1988	International Tel & Tel
Int. Standard Elec.	5½	1988	International Tel & Tel
Int. Standard Elec.	6¼	1989	International Tel & Tel
ISE Finance Holdings	4½	1986	International Tel & Tel
Leasco Int.	5	1989	International Tel & Tel
Levin-Townsend Int. Fin.	5	1988	Rockwood Computer
Norwich OS	4¾	1983	Morton-Norwich Products
Owens-Illinois	4½	1987	Owens Corning Fibreglass
Plywood Champion Int.	5½	1988	Champion Inr.

The following international convertible issues have fixed rates of currency conversion:

COUNTRY	ISSUE/COUPON/MATURITY			EXCHANGE RATE	
DENMARK	Novo Industri	7	1989	D.Kr.5.344	= $1
FRANCE	Michelin Int. Dev.	6	1985	F.Fr.5.554	= $1
HONG KONG	Asia Navigation Int.	6½	1989	$HK5.07	= $1
ISRAEL	Leumi Int. Inv.	7	1984	£I 10.1025	= $1
JAPAN	Asahi Chemical	6¾	1990	Yen 303.0	= $1
	Asahi Optical	8	1992	Yen 282.0	= $1
	Asahi Optical	7	1984	Yen 222.18	= $1
	Asics	5¾	1993	Yen 216.0	= $1
	Canon Inc.	6¾	1984	Yen 216.45	= $1
	Dai Nippon Printing	6¾	1986	Yen 360.0	= $1
	Daiei Inc.	8	1991	Yen 300.0	= $1
	Daiei Inc.	6½	1994	Yen 224.3	= $1
	Daiwa House Ind.	7¾	1991	Yen 301.0	= $1
	Hitachi Ltd.	6¾	1984	Yen 360.0	= $1
	Hokushin Electric	6½	1992	Yen 248.0	= $1
	Honda	6½	1989	Yen 201.60	= $1
	Ito-Yokado	5¾	1993	Yen 213.5	= $1
	Ito-Yokado	6	1992	Yen 272.0	= $1
	Jusco	8	1992	Yen 277.4	= $1
	Kao Soap	6	1992	Yen 258.0	= $1
	Komatsu Manf.	6¾	1984	Yen 350.0	= $1
	Komatsu Ltd.	7¼	1990	Yen 294.2	= $1
	Kubota	6¾	1991	Yen 303.0	= $1
	Marui	6½	1991	Yen 289.0	= $1
	Matsushita Elec.	6¾	1990	Yen 303.0	= $1
	Moldensha	11	1994	Yen 223.82	= $1
	Mitsubishi Elec.	7	1985	Yen 350.0	= $1
	Mitsubishi Gas Chem.	8	1992	Yen 272.0	= $1
	Mitsubishi Heavy Ind.	6½	1991	Yen 305.55	= $1
	Mitsubishi Corp.	8	1992	Yen 287.0	= $1
	Mitsubishi Corp.	7½	1990	Yen 293.0	= $1
	Mitsubishi Corp.	6¾	1991	Yen 301.0	= $1
	Mitsubishi Corp.	7¾	1994	Yen 224.74	= $1
	Mitsui & Co.	7¾	1990	Yen 298.0	= $1
	Mitsui & Co.	6¾	1989	Yen 289.0	= $1
	Mitsui Real Estate	8	1992	Yen 267.8	= $1
	Nippon Seiko	7¾	1994	Yen 224.48	= $1
	Nitto Elec. Ind.	8	1992	Yen 264.13	= $1
	Nitto Elec.	8	1994	Yen 218.64	= $1
	Ricoh	6½	1991	Yen 295.0	= $1
	Sanyo Electric	6¾	1991	Yen 293.55	= $1
	Sanyo Electric	7½	1990	Yen 302.17	= $1
	Settsu Paperboard	6¾	1992	Yen 243.0	= $1
	Sumitomo Elec.	6	1992	Yen 267.0	= $1
	Sumitomo Metal	8	1992	Yen 287.5	= $1
	Takeda Chemical	6	1984	Yen 360.0	= $1
	Tokyu Dept. Store	6	1992	Yen 266.0	= $1
	Toshiba	6¾	1992	Yen 254.0	= $1
	Toshiba	6¾	1990	Yen 295.6	= $1
	Toshiba	7¾	1994	Yen 228.45	= $1
NETHERLANDS	Ennia	7¼	1992	D.Fl.2.4565	= $1
	All other issues			D.Fl.3.80	= $1
SINGAPORE	Dev. Bank of Singapore	6½	1991	S$2.44	= $1
	United Overseas Bank	6¾	1988	S$2.32	= $1
SOUTH AFRICA	Rand Selection Corp.	6½	1988	RD0.7143	= $1
SWEDEN	Aga	7¼	1989	SwKr4.31125	= $1
	Esselte	7¾	1989	SwKr4.35875	= $1
	Sandvik	6¾	1988	SwKr4.7825	= $1
UK	Babcock Nederland	7	1991	£0.574	= $1
	Beecham Fin.	6¾	1992	£0.574	= $1
	Boots	6¾	1993	£0.529	= $1
	Burmah Oil	5½	1988	£0.417	= $1
	Burton B.V.	5¾	1992	FFr.11.88225	= $14
	Compair (UK)	8¾	1987	£0.682	= $1
	ICI Int. Fin.	6¾	1997	£0.574	= $1
	Inchcape (Bermuda)	6¾	1992	£0.582	= $1
	Rank Organisation	4¾	1993	£0.425	= $1
	Slater Walker	5¾	1987	£0.385	= $1
	Thorn Int. Fin.	7	1988	£0.530	= $1

Union Bank of Switzerland (Lux.) 5% 1981 differs from other convertibles in that the bonds are denominated US$1350 and each bond is convertible into 1 Bearer share of S.Fr.500 nominal value of UBS.
Credit Suisse (Bahamas) 4¼ 1991 differs from other convertibles in that the bond is denominated US$1000 and each bond is convertible into 1 Bearer Share of S.Fr.500 nominal value of Credit Suisse.
The following convertible issues have conversion rights which expire prior to maturity:

NAME OF BOND		MATURITY	CONVERSION RIGHTS EXPIRE
Asahi Chemical	6¾	30/9/1990	18/8/1990
Dai Nippon Ptg.	6¾	31/5/1986	30/4/1986
Hitachi	6¾	30/9/1984	31/8/1984
Mitsubishi Elec.	7	31/3/1985	28/2/1985
Rand Selection	6½	1/3/1986	31/1/1986
Takeda Chem.	6	31/3/1984	28/2/1984
Toshiba	6¾	30/9/1990	15/9/1990

6. Denomination of non-dollar bonds

Euro-guilders — all denominated	Fl. 10,000
French Francs — all denominated with the exception of	FFr. 5,000
Aerospatiale	FFr. 10,000
European Coal & Steel 7% 1980	FFr. 10,000
European Coal & Steel 7¾% 1991	FFr. 10,000
Francaise de Petroles — BP	FFr. 10,000
Philips Lamps 10¾% 1980	FFr. 10,000
Roussel — Uclaf	FFr. 50,000
SOPAD	FFr. 10,000
	FFr. 50,000
STERLING-DEUTSCHE MARKS	
Enso Gutzeit 6½% 1980	£100: £500
ICI 8% 1986	£500
Ireland 7% 1981	£500: £500
Ireland 7% 1988	£500
Met. Estates 6¾% 1987	£500
New Zealand 6¾% 1982	£90: £450
Rothmans Int. 6¾% 1982	£500
Sira Kvina 7¾% 1983	£100: £500
Turin 6½% 1984	£100: £500
US Rubber 6% 1989	£100: £500

7. Yield calculations

All Yields are calculated on annual rates e.g. a 10% bond standing at par, paying interest once p.a. will have a current and maturity yield of 10%. A 10% bond paying semi-annually would yield 10.25%. Market practice demands that the current yield on $ floating rate bonds is calculated as coupon/price.

8.

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold directly or indirectly in the United States, its territories or possessions, or to nationals or residents thereof.
The information is from reports from official and other sources which we consider reliable, but adequate means of checking its accuracy are not available and we do not guarantee that the information contained herein is accurate or complete.

9. Other notes

The amounts shown as remaining outstanding are estimated by applying the scheduled sinking fund instalments. These are further adjusted where a non-cumulative option to double sinking fund payments has been exercised.
Yields are calculated in accordance with Rule 803 of Statutes, By-Laws, Rules and Recommendations of the AIBD using compound interest throughout. Negative yields are not shown.
The maturity, average life and first call yields are adjusted to a 360 day annual rate.
Yield to next call is shown on the basis that the borrower gives notice that he wishes to call the bond as soon as possible after the date of publication of this list.

Unit of account bonds

The new units of account formula applies to issues from 1973 onwards and the old formula to issues in or prior to 1972.
All payments of interest and capital of EUA bonds are made on the basis of the strongest reference currency, which means that the bondholders receives the equivalent in his own currency of the EUA/strongest reference currency parity prevailing at the time of payment. The EUA can thus at any given time be identified with the strongest reference currency. For convenience sake, however, bonds are quoted on the secondary market on the basis of the EUA/DM parity prevailing at the time of quotation. In order to be correct, yields for EUA bonds should be calculated on the basis of the strongest reference currency. For this purpose the price in DM is converted into the price in the strongest reference currency, taking into account the premium (if any) of the strongest reference currency against the DM. It is on the thus reduced price that the yield calculations are made.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

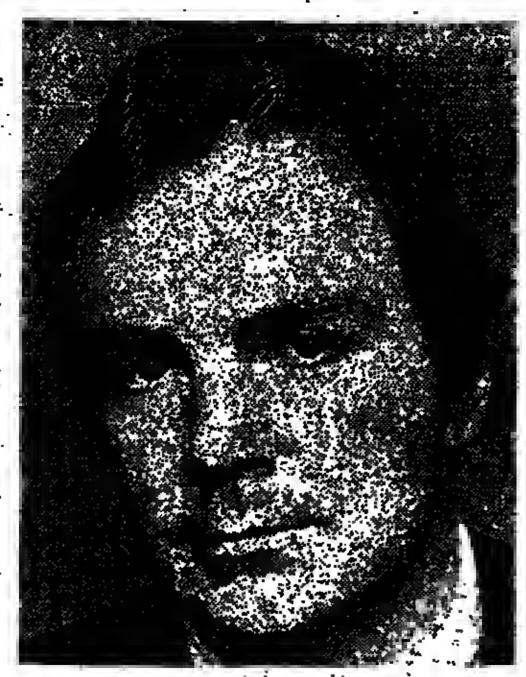
PLAIN SPEAKING BY TONY O'REILLY OF HEINZ

Food multinationals warned of 'crisis of survival'

HEINZ ISN'T ONE to let the grass grow under its feet. This time last year, its UK marketing and sales director, Roy King, laid bare his soul and announced the results of what he called a programme of vigorous self-appraisal of the company's UK operation.

Product quality had been rechecked, he said; manufacturing, administration and sales operations had been screened for cost-effectiveness, while improved efficiency had resulted in the consolidation of some manufacturing facilities and manpower reductions in all divisions including sales.

The company's products, strategies and levels of marketing investment, he said, reflected its faith in the future of branding within a stable food industry —on which note he announced a record marketing budget for the year ahead of £21m (virtually [illegible] cent of projected UK sale[illegible] ding an advertising bud[illegible] ss all major brands, of r[illegible] n £8m.



Tony O'Reilly, president of Heinz: "Profit margins are declining in the face of over-capacity on both sides of the food industry".

Aggressive

Tomorrow, we will discover how these moves paid off, for the ebullient Mr. King has called a meeting in London at which Heinz says it will reveal brand share gains across every major product group, and an even more aggressive marketing spend over the next 12 months.

If there is so much as a dull moment at Claridges, I shall ask him what he thought of the speech delivered by Tony O'Reilly, the Heinz president from Pittsburgh, at the recent Advertising Association conference in Brighton. Mr. O'Reilly's speech was reported in this newspaper last Thursday, but as the edition did not achieve universal circulation, it is well worth returning to.

Without bandying words, the Heinz president warned that the 1980s would produce a "crisis of survival" for UK food manufacturers.

"When one takes into account the fact that in the 1960s, issues of inflation, consumerism, government interference, union militancy, technological stagnation, soft markets and above all trade concentration and retail saturation, were scarcely visible in company business plans," he said, "there is little wonder that many of our managers are today shell-shocked in the face of an apparently hostile trading environment."

In the decade ahead, the food multinationals would be advised to formulate policies to tackle three distinct segments of the international food market, instead of gazing inwardly, as they often did, at their own domestic product range and structural *status quo*.

These segments were as follows: one, countries where consumer product demand was in its infancy, but growing fast —the key to success here, as demonstrated by Coca-Cola, was to get in first; two, countries where product markets were both developed and still growing and where the key factor was marketing muscle—a good exponent here was Nestlé; three, countries with mature markets that offered limited or zero growth, where the key was "achievement of low-cost producer status in order (to be able to) afford to reinforce the brand and sustain competitive barriers"—heroes here were Pedigree Petfoods and United Biscuits.

"It is my personal forecast," warned Mr. O'Reilly, "that for many U.S. companies, the future is bleak in sectors one and two, and that this is in part directly the consequence of domestic legislation introduced in the 1970s which does not recognise the trading realities in the developed world."

Anything but a profound examination of Heinz over the second half of the 1970s would indicate relative corporate health: return on equity had averaged 15.6 per cent; return on total capital had averaged 12.1 per cent; its net profit margin had averaged 4.9 per cent, and growth in earnings-per-share had averaged 17.8 per cent per annum.

"Having said that, I have to tell you that the corporation has a 100 per cent record in sector two, and by 100 per cent I mean total failure. In sector one we have no record at all, so that (our) financial record is almost wholly based on performance within the mature markets of sector three."

The 1980s offered major opportunities for those prepared to pioneer new franchises with mature technology, although at home base, in the markets of sector three, many businesses would face a crisis of survival. Manufacturers faced not only a hostile trading environment, but had in many cases jeopardised their chances by their reaction to change.

"Under the short-term financial pressures of reduced volume, shrinking margins and escalating investment below-the-line, the manufacturer has chosen, or, more fairly, been obliged, to place at risk the core asset of the packaged goods company—I mean, of course, the brand.

"He has done this progressively by cost-reducing his product, curtailing R and D investment, and, at the sharp end of the business, reducing advertising expenditure. . . . The penalty for staying with such a short-term strategy long-term is not difficult to forecast."

The choice confronting the manufacturer was this—return to a committed reallocation of funds towards the consumer, or prepare to quit the branded goods business by the late 1980s.

It hardly mattered how the battle between manufacturers and retailers was resolved. The unpalatable truth was that even with effective fair trading legislation, the manufacturers' strategic problems would not dissolve.

"In the final analysis, profit margins are declining in the face of over-capacity on both sides of the industry, and the winners in the '80s will be the most efficient operators and the most effective marketeers."

Alternatives

There were at least three broad alternatives for the manufacturer to grasp: development of new franchises, although few major successes were in prospect; diversification, though the track record was unpromising, and brand reinforcement.

For Mr. O'Reilly, the 1980s spelt change based on new market realities, however unpalatable: changes in geographic focus in the face of radically different world market conditions, and a refocusing of management perspective.

He said his message was neither optimistic nor pessimistic. "It is simply one of challenge. My assumption is that, as usual, only the bold will prosper."

It should be an entertaining hour or so at Claridges tomorrow.

Satellite link for Herald Tribune

THE INTERNATIONAL Herald Tribune yesterday announced firm plans for printing in Hong Kong via satellite page transmission from its headquarters in Paris. The paper is already printed simultaneously in Paris, London and Zurich.

The IHT will continue to edit and compose all pages in Paris. For the Hong Kong operation, completed pages will be converted electronically in Paris, beamed via a satellite located above the Indian Ocean, and reassembled into page-size film negatives by a receiving unit at the Hong Kong print premises of Sing Tao Newspapers.

The plan is to boost the paper's paid circulation in Asia from around 2,000 copies daily at present to at least 20,000 copies within three years.

The operation is due to begin on September 15. The IHT said yesterday: "This will be the first time that satellite transmission of a complete newspaper will be effected on a daily basis from one continent to another."

In the U.S., the Wall Street Journal uses satellite transmission for transferring pages to seven of its 12 regional U.S. printing plants. The Asian Wall Street Journal is composed and published separately in Hong Kong, where circulation is currently put at 20,500.

In Europe, the Financial Times uses cable facsimile transmission between London and Frankfurt, where it produces an edition for circulation in Europe and the U.S.

The IHT publisher, Mr. Lee W. Huebner, said in New York yesterday that the plan was to cut delivery of the Asian edition to a few hours, and its cover price (currently $US1.50 to $2.00) by two-thirds. Total paid circulation of the IHT is currently put at 130,000 copies a day in 143 countries.

The IHT's first facsimile printing operation began in London in 1974. Printing in Zurich began in 1977.

AT PRESENT, it appears, there is barely a comic in the land or a heroine of sit-com who isn't lending name, face and Equity card to the endorsement of products.

The number of British television commercials now written around a "personality" or "star" has reached epidemic scale, so that according to John Webster, there are as many famous faces sandwiched in between programmes as appear on them.

Mr. Webster is the creative director at Boase Massimi Pollitt Univas. He is unhappy with the commercial over-use of stars, a position he makes clear in Creative Review, a new magazine from Marketing Week.

Superficially, a famous name offers clear advantages to the advertiser: instant impact, endowment of the product, PR opportunities, and an impression of really having arrived on a national scale.

But the pitfalls are immense. The most obvious danger is when the public remembers the personality, not the product—when the obligatory three-second product shot creates annoyance because it interrupts the entertainment.

As examples, Mr Webster cites the famous Quaker pet food series of a few years ago, starring Clement Freud and Henry, and the Leonard Rossiter/Cinzano series.

"Both these campaigns come from Collett Dickenson Pearce," he says, "whose current contracts must read like the pages of Who's Who." He says he was told by a copywriter that works there that these days, you need a pretty good excuse not to have a famous person in a commercial. "Even the man in the Hamlet Bunker commercial (who is never seen) is rumoured to be sir John Gielgud."

In his experience, he says, there is widespread cynicism amongst consumers towards any kind of testimonial technique. He dislikes what he calls the waste of use made of David Niven by Maxwell House, and says there is a strong case for an annual Best Use of John Cleese Awards.

He sympathises with Little and Large, the comic duo, who made their commercial debut on behalf of Dixel toilet rolls ("none of us should expect to start at the top"), but has no objection to Woolworth's cast of stars.

He is enthusiastic about Goodyear: "The most effective use of a famous name currently on the air is the Goodyear tyre campaign using Sir Robert Mark. Somehow these commercials are utterly convincing. Sir Robert adds great credence." (Sir Robert was paid a very large fee, which went to charity.)

Mr. Webster warns against borrowed values and showbiz clichés, and calls for product benefits indelibly linked to the goods advertised. One wonders how his strictures will be received at Birds Eye, which announced this week that it had signed up the entire England soccer squad in a promotional deal likely to last two-and-a-half years and costing well into six figures.

McCann Germany 'top in Europe'

McCANN-ERICKSON, Germany, emerges as the top European advertising agency last year in the latest survey by Advertising Age. Its reported billings were $236m for gross income of $35.4m. It is followed by J. Walter Thompson, Britain, with a reported gross income of $33.2m, and Lintas, Germany ($31.4m).

Next come Saatchi and Saatchi, Britain ($29.8m), Publicis Conseil, France ($29.2m) and Team/BBDO, Germany ($27.9m).

As usual with such tables, interpretation is wholly fallible, in that the reporting procedures of individual agencies vary widely.

Charles Barker ABH, Britain, for example, is listed in ninth place, with a reported billings total of $154m and gross income, last year, of $23.2m—both figures substantially in excess of those reported in its own annual report for 1979, published two weeks ago, where the figures were £57.8m and £8.7m respectively.

Julian Wellesley, the Charles Barker chairman, said yesterday that the apparent discrepancy arose because the figures reported to AdAge incorporated grossed-up billings and income derived from holdings in ABH partnerships in other countries.

It is also impossible with such tables to distinguish between genuine advertising income and fees derived from PR, print, consultancy and other marketing peripherals.

'Not for sale'—Dorland

DORLAND ADVERTISING, with billings now a reported £36m, has denied reports that it is for sale. Recent gains include the Butter Information Council; Alders Stores, Pan Books and Eastern Gas.

● DUNLOP SPORTS account, worth £500,000, has left Saatchi for PVAF.

● COMEBACK of Kirkwood's continues. The md's job has been split between directors Johnathon White and John Horner; creative director Tony Bodinetz has been made vice-chairman.

● NICK SHACKLETON, 40, creative director at Wasey's, is joining J. Walter Thompson as one of five creative directors.

LOMBARD

The EEC reneges on a promise

BY JOHN WYLES IN BRUSSELS

"WHEN YOUR friends are in trouble, you must support them," is one of Lord Carrington's favourite offerings in justification of the trade sanctions which the UK Government along with its EEC partners is expected to impose against Iran this coming weekend. But there are many ways of supporting your friends and, to paraphrase Lenin, it is beginning to look as though the EEC will support the U.S. like a rope supports a hanging man.

What did the U.S. want from the Community when President Carter let it be known that tougher measures were now needed to help secure the hostages' release? At a minimum it wanted action in line with the UN Security Council resolution of January 10 which the Soviet Union vetoed. The resolution is not one of the most brilliant pieces of drafting in diplomatic history, but it is far less ambiguous than the average statement issued by, say, the French Council of Ministers. Certainly the Community's foreign ministers thought it comprehensible enough for them to undertake on April 22 to impose sanctions against Iran "in conformity with the Security Council resolution and . . . in conformity with international-law."

Committed

Since it was agreed that each member state would take the necessary legislative powers, the foreign ministers knew at the time that each might bave legal problems in conforming with the resolution. But this is what they committed their Governments to do and as a result, the sanctions to be imposed this weekend should:—

1.—ban existing contracts supplying all "items, commodities and products," except food and medicine;

2.—prevent shipping, airlines and other services carrying goods to Iran;

3.—ban all new service contracts.

All the indications are that when EEC foreign ministers meet in Naples this weekend, they will commit their countries only to ban new service contracts. Since the UN Resolution is ambiguous on the subject of existing service contracts this will provide a loophole for a most catholic definition of a "service contract." As a result. Italy's $3bn of construction contracts will slip through the embargo as will the supply from the UK of Talbot car kits, together with other lucrative deals involving French, West German and Dutch companies.

This is a clear reneging on the intentions of April 22 and the Nine know it. Their justification ranges from legal and constitutional niceties which prevent the imposition of a full trade embargo to a more pragmatic claim that alliance solidarity requires a symbolic gesture from Europe but not a comprehensive embargo which will complete the process of shoving Iran into the Soviet camp.

One can have considerable sympathy for the European position. It was forced on them by Washington's strong arm tactics which would not have been so apparent or even necessary in a better ordered alliance or with a more competent man in the White House.

However, a partial approach on sanctions from the Nine could well do more harm than good to the alliance, to the cause of securing the hostages' release and to broarder East-West relations.

The most immediate anxiety in Europe will be the impact on decision making in Washington of the obvious failure to implement the full terms of the Security Council Resolution. In making their Luxembourg declaration, the foreign ministers clearly believed that the adoption of sanctions would give them increased leverage over America's handling of the hostages crisis and, in particular the right to closer consultation. The abortive rescue mission was seen in some, but not the most important, EEC capitals, as a slap in the face to these cherished rights to consultation, coming as it did just two days after the adoption of sanctions in Luxembourg. If backsliding this weekend is followed by the conclusion in Washington that the allies must forfeit the rights to full consultation, then the results could be calamitous.

If Washington also decides that action by the Nine is so ineffective that the military option to release the hostages remains the only credible alternative, then the consequences for Western cohesion and peace could be incalculable.

Charmed circle of City solicitors

"THE LORD looks after lawyers," especially in the City. From new prospectus to insolvency, the commercial world provides them with work. They act as midwife, and as undertaker. "If a client company fails, we act for the receiver," as one of them said.

City solicitors work hard for the good living they undoubtedly get. They offer an impressive range of specialist skills based on long experience, and their services are an important element in the package the City offers.

The bulk of the work is in the hands of fewer than a dozen large firms, and another ten or so which offer as sound if less glamorous a service. Their clients include almost all the major quoted and unquoted companies, merchant and clearing banks, public corporations, trusts, charities, the commodity exchanges. Slaughter and May, and Linklaters and Paines, have more than 450 such clients between them. The largest partnerships number from 35 to 60, the medium ones average about 28.

Theodore Goddard and Co. is the only large firm with a substantial number of women partners. Several of them work on European law and patents, contrary to the view widely held in the profession that women are only suited to matrimony and crime. In general each partner has about nine supporting staff, of whom about 25 per cent will be legally qualified. At the top of this pyramid a senior partner's time may cost £100 an hour, and the annual turnover will be in eight figures. The medium-sized firms will charge about £75: a small firm of 10 partners or less, outside the big league, £50 or under.

Size is not the only test of a partnership's significance. Specialist firms follow a different pattern. The "Admiralty Club" consists of solicitors who are pre-eminent in shipping, marine insurance. Some large general firms, like Coward Chance; Norton Rose Botterell and Roche; Herbert Smith and Clifford-Turner are established members of the Club, but of the specialists Ince and Co., the "shipping giant," has only 18 partners.

Sinclair, Roche and Temperley have under 15, Macfarlanes 19. Holman, Fenwick and Willan are in the twenties, having doubled in seven years. Barlow, Lyde and Gilbert, experts in insurance, are under 20. Among the patent specialists, Bird and Bird have 14 partners, and Bristow, Cooke and Carpmael 12. Two highly respected firms, Needham and Grant; and Faithfull, Owen and Fraser, have three and two partners respectively.

Most firms with a general commercial practice have doubled, or nearly so, in 10 or 15 years. Simmons and Simmons, for example, have increased by more than 40 per cent and Freshfields by 50 per cent since 1973. Some firms rise through the character and energy of a partner, as with Ashurst, Morris, Crisp. With luck the effect may survive his retirement as it did in the case of Linklaters and Paines; and Bristow, Cooke and Carpmael. Some owe strength to a particular client. Berwin Leighton have a connection with Rothschild's, and Titmuss, Sainer and Webb handle Sir Charles Clore's account. But since the collapse of Slater, Walker many firms now prefer not to have more than 10 per cent of their annual business deriving from one client, though in that particular case the solicitors survived quite well.

The work for City solicitors is increasing and its nature is changing equally rapidly. There is less emphasis on new prospectusses, takeovers and property deals; more on bond issues, banking, finance and litigation. Overseas work is expanding enormously. The contribution to the UK's invisible earnings of a firm with substantial foreign connections can be 50 or 60 per cent of its annual turnover—perhaps as much as £5m at the top of the league.

New partners are needed to open new departments or strengthen existing ones. There is a desire to attract and keep bright young men from the temptations of industry or merchant banks. These considerations outweigh, for the present, fears of becoming unwieldy from excessive growth—though such fears do exist.

The tendency towards giantism has widened the meshes of the net and middle-range work is beginning to fall through on to the desks of those who, if they cannot offer the same range of expertise and experience, are competent, and cheaper. Big firms with high overheads are finding such work uneconomic. Some are uneasy that too much work is concentrated in too few hands and try to spread the load.

The City is tending to look for "horses for courses" rather than the safety of a famous name. Even the big merchant banks which have traditional, in some cases family, ties with old-established solicitors, are spreading their favours. But it is doubtful whether enough of this work is finding its way to the young firms which deserve a chance. It is encouraging that Lonrho has deserted the big league and instructed Cameron, Kemm, Nordon in its current sanctions-busting dispute. Shell and BP, the other protagonists, are represented respectively by Linklaters; and Slaughter and May, the Gog and Magog of City solicitors. If RTZ's dispute with Westinghouse ever finds its way to London from the U.S., the odds are that the parties will instruct their usual solicitors, Slaughters, and Freshfields.

Although the work is there, small partnerships feel the scales are unfairly weighted against them. For each success story, there are sad tales of once-sound firms which have collapsed or been taken over, while others have picked up the matrimonial and conveyancing work shed by the big boys and have moved away from the City.

The Law Society is blamed for failing to help small firms. Its rules against advertising weigh hardest against those solicitors whose names do not yet appear in company reports, or with lists of important clients in City directories. The scale of fees for litigation in the High Court is now quite inadequate for smaller cases. It is argued that the Law Society, in clinging so jealously to its conveyancing monopoly, has lost its bargaining power with the Government. Small firms complain that the elected Council and Committee of the Law Society consist of big solicitors interested in preserving the *status quo*.

It is 10 years since the Monopolies Commission* criticised the Society's rules on advertising as being against public interest and recommended a rule allowing solicitors to use such publicity as they think fit, subject to certain safeguards to the public and to professional standards. Last year the Royal Commission on Legal Services reinforced these arguments. Since then the Society, in its own words, has "moved only slowly," though it feels credit should be given for some changes: a limited advertising of new offices in the general Press; the provision of descriptive brochures on solicitors' premises (though not to the public at large), and wider use of referral lists.

The Society justifies its tardiness by saying the public must be protected. "My only concern," said a spokesman, "is the public interest." The critics reply that the public suffers other, and greater, disadvantages from the present system. Small businesses, for example, need legal services at a price they can afford, but there is no move to encourage the small partnerships which can provide them.

*Restrictive Practices in the Professions. Cmnd. 4463 of 1970

Mrs. Moore writes and lectures on legal subjects.

BUSINESS AND THE COURTS

BY ANN MOORE

Pragmatic set for Cup victory

RACING

BY DOMINIC WIGAN

THIS AFTERNOON on York's Knavesmire it is the turn of the stayers to take the limelight with the renewal of the 1¾ mile Yorkshire Cup.

In an open looking race, which has predictably attracted a small field, I shall be relying on Pragmatic to confirm his Sagaro Stakes superiority over Vincent and Buttress.

There was no fluke about Pragmatic's success at Ascot. Looking considerably improved physically on last year, Fulke Johnson Houghton's five-year-old began to make steady headway turning into the straight after being in last place from the outset.

Finding his full stride in the final furlong, Pragmatic wore down Vincent and Buttress to win by ¾ of a length and 1½ lengths respectively.

An hour after the Yorkshire Cup, I expect Life at Last and Detonate to dominate the closing stages of the York and Ainsty Handicap. The first-named, a tall Northfields filly, out of Royal News the dam of Less Ice, showed useful form on her first two starts in 1979.

The winner of a maiden race at Yarmouth, Life at Last followed with a win in a ten-furlongs handicap at Newmarket. The filly is thought to have made well above average progress over the close season. Furthermore, her trainer, Luca Cumani, has his string in fine form.

There have been few unluckier losers this season than Detonate, who ran into all sorts of trouble at Nottingham on April 21. The Hastings-Bass trained filly failed to get a clear run after being slowly away and was also struck inadvertently in the face by a rival colt's jockey.

Nevertheless Detonate forced her way into third place only to be put down a place for interference on the home turn.

In what promises to be a closely fought finish between the pair, Life at Last is just preferred to Detonate, on whom Willie Carson will have to put up 5 lbs overweight.

YORK

2.00—Sybaris*

2.30—Highland Light

3.00—Moorestyle

3.30—Pragmatic

4.00—Kampala

4.30—Life at Last***

5.00—Cape Chestnut**

TV Radio

† Indicates programme in black and white

BBC 1

6.40-7.30 am Open University (Ultra high frequency only). 9.47 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mr. Benn. 2.00 You and Me. 2.16 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 The All New Popeye Show. 4.40 Joey and Redhawk. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Captain Pugwash.

5.40 News.

5.55 Nationwide (London and South East only).

6.20 Nationwide.

6.55 Tomorrow's World.

7.20 Top of the Pops.

8.00 Taxi.

8.25 Max Boyce.

9.00 News.

9.25 Bull Week.

10.05 We Think the World of You.

11.00 News Headlines.

11.02 Question Time.

12.02 am Weather / Regional News.

All Regions as BBC1 except as follows:

Cymru/Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 12.02 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.00 Current Account. 11.30 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.02 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.

11.00 Play School.

4.50 pm Open University.

6.55 MacLeod's America.

7.15 Mid-Evening News.

7.30 Newsweek.

8.05 In the Making.

8.25 *One Man and His Dog.*

9.00 A Question of Guilt.

9.30 Jeremy Taylor.

10.00 Beryl Reid.

10.45 Newsnight.

11.30 Closedown reading.

9.30 am Schools Programmes.

LONDON

12.00 Gammon and Spinach. 12.10 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 Afternoon Plus. 2.25 Racing from York. 3.45 Superstar Profile: Woody Allen. 4.15 Little House on the Prairie. 5.15 Selwyn.

5.45 News.

6.00 Thames News.

6.25 Help!

6.35 The Bionic Woman.

7.30 Nurse of the Year.

8.30 TV Eye.

9.00 The Nesbitts are Coming.

9.30 Shelley.

10.00 News.

10.30 Inside Business.

11.00 Lou Grant.

12.00 What the Papers Say.

12.15 am Close: Personal choice with Roy Hudd.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 3.45 Looks Familiar. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 How's Your Father. 10.30 Basketball. 1.00 Luke's Kingdom. 12.00 Themes.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. 4.15 Windows. 4.20 Fangface. 4.50 Salvage 1. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Formel V. 11.10 ATV Newsdesk. 11.15 Kate Loves A Mystery.

BORDER

1.20 pm Border News. 2.00 Houseparty. 3.45 Looks Familiar. 4.15 Thursday Matinee: "Contraband Spain," starring Richard Greene and Anouk Aimee. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Soap. 11.00 The Thursday Movie: "I Walk The Line," starring Gregory Peck. 12.40 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 3.45 Looks Familiar. 5.15 Emmerdale Farm. 6.00 Report At Six. 7.00 Horses In Harmony. 10.28 Channel Late News. 10.32 Soap. 11.05 A Better Read (Naughty Books). †11.25 The Thursday Film: "Sabotage." 12.45 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 3.45 Looks Familiar. 6.00 North Tonight And Area Weather Forecast. 7.00 How's Your Father? 10.30 Police News. 10.35 Superstar Profile (Sylvester Stallone). 11.05 Reflections. 11.10 Soap. 11.40 Darts. 12.20 am North Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Looks Familiar. 4.15 Salvage 1. 5.15 Bailey's Bird. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Mork and Mindy. 10.30 Celebration. 11.00 Mannix. 11.55 What The Papers Say presented by Mary Holland of the New Statesman.

HTV

12.30 pm Money-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine And Friends. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 10.35 Schubert Gala Concert. 11.05 Luke's Kingdom.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.52-10.07 am Cymru a'r Mor. 12.00-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 The English Garden.

SCOTTISH

12.30 pm Gardening Today. 1.00 Keep Your Eye on Paisley. 3.45 Looks Familiar. 4.15 Larry The Lamb. 4.25 Salvage 1. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Talking Scots. 7.00 Take The High Road. 10.30 Preview. 11.00 The Practice. 11.30 Late Call. 11.35 Darts.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 3.45 Looks Familiar. 4.15 Tarzan. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Celebrity Concert (Sergio Mendes). 12.05 am What The Papers Say.

TYNE TEES

9.20 am The Good Word followed by North East News. 1.20 pm North East News And Lookaround. 3.45 Looks Familiar. 4.15 The Lost Islands. 4.45 The Life And Times Of Grizzly Adams. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Northern Scene. 11.05 Soap. 11.35 Tenderra. 12.45 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.16 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 3.45 Looks Familiar. 4.15 Gus Honeybun's Birthdays. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Westward Report. 10.32 Westward Late News. 10.36 Soap. 11.05 Politics West. †11.25 The Thursday Film: "Sabotage." 12.45 am Faith For Life. 12.50 West Country Weather And Shipping Forecast.

YORKSHIRE

12.30 pm The Allan Stewart Tapes. 1.20 Calendar News. 3.45 Looks Familiar. 4.15 The Woody Woodpecker Show. 4.45 Salvage 1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 Music At Harewood. 11.00 Fantasy Island. 12.00 Superstar Profile.

RADIO 1

(S) Stereophonic broadcast)

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 8.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.3 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S) including Racing from York. 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.02 Oh Mother! (S) 10.30 Star Sound Extra (S). 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Roussel (S). 9.45 Jane Manning and Richard Rodney Bennett Song and piano recital (S), part 1. 10.30 Interval Reading. 10.40 Recital, part 2. 11.25 Kenneth Gilbert Harpsichord recital (S). 11.55 Midday Concert (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 Byrd's Gradualia: Ascension Day (S). 3.00 Alban Berg Quartet (S). 3.40 Beethoven Symphony No. 5 (S). 4.15 Friedrich Goldmann chamber music (S). 4.55 News. 5.00 Mainly for Pleasure (‡ and mono only from 6.30). 7.00 Talking About Music (S). 7.05 Rameau (S). 8.00 As Radio 4 (S). 9.40 A Modest Proposal by Jonathan Swift. 10.15 Book, Music and Lyrics (S). 11.00-11.05 News.

VHF Only—Open University: 6.00-7.00 am and 6.20-7.00 pm, and for Scottish students only 12.00-1.00 am

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz 194m & 95.8vhf
				London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Folk with Tales. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 File on 4. 11.50 A Certain Style. 12.00 News. 12.02 pm You and Yours. 12.27 The Jason Explanation of the Printed Word (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (S). 3.30 Any Answers? 4.00 Holy Communion on Ascension Day (S). 4.45 Short Story. 5.00 PM. News magazine 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News 6.30 Brain of Britain 1980 (S). 7.00 News. 7.05 The Archers.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 6.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-6.00 am Join Radio 2.

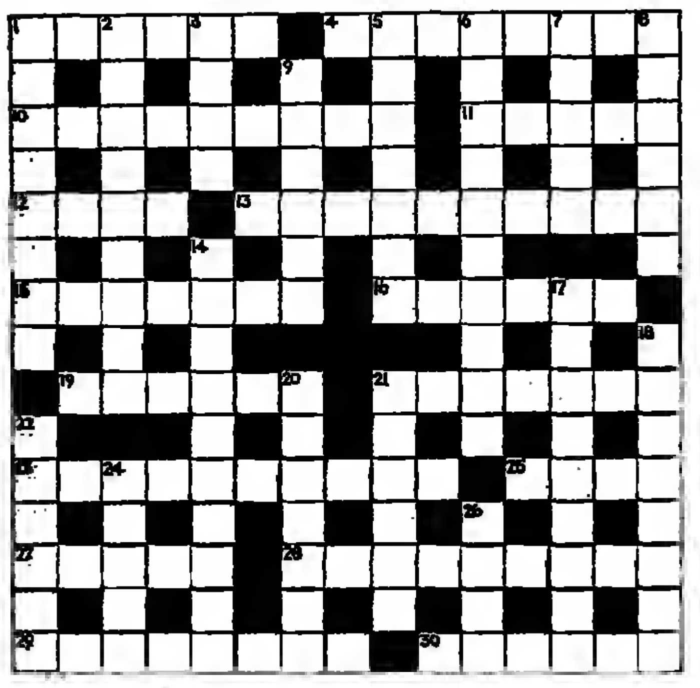
London Broadcasting

5.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.20 Lord George-Brown's Capital Commentary (S). 7.40 Adrian Love's Open Line (S). 9.00 Nicky Horne's "Your Mother Wouldn't Like It" (S). 11.00 Tony Myatt's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,272



ACROSS

1 Inferior lectures heard by audience (6)
4 Look out for possible customer (8)
10 Left a stopper finished by daughter (9)
11 Settle without mina being put off (5)
12 Waistband old Bob has altered (4)
13 Suitable setting for HMS Pinafore? (5, 5)
15 Boy seeking more about one actor (7)
16 Boy left with notice to pass on (6)
19 Ancient Briton in charge of football team (6)
21 Parent joins tennis star in conference (7)
23 Point to British capital in South Africa (4, 6)
25 Spot spy in our midst (4)
27 An American author or two (5)
28 Time a line might be cut out (9)
29 Accused counsel of going back at Anfield (8)
30 Excellent railway adornments (6)

DOWN

1 Talks (in what way?) of TV programme (4, 4)
2 A mother takes pigs to water (5, 4)
3 Splash like this official attorney (4)
5 Cattle given vote in Moscow (7)
6 Teams confuse way to ride (4-6)
7 Super giving batsmen no credit (5)
8 Aim to let sailor win (6)
9 Bird on right of marksman (6)
14 Washing best not aired (5, 5)
17 Fashionable instrument with note unbroken (9)
18 Foliage seen by English novelist on railway (8)
20 Learn to give up and admit defeat (7)
21 In favour of 59 using a lot of words (6)
22 Set of five cooped up in modern times (6)
24 Stick to the workers (5)
26 Is in North London after a time (4)

Solution to Puzzle No. 4,271

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THE ARTS

Sheila Burrell, Polly James and Margaret Lockwood

Ambassadors

Motherdear

by B. A. YOUNG

You can't make an exact comparison between Royce Ryton's *Motherdear* and his earlier *Crown Matrimonial*, for the Duke of Windsor and King George VI were familiar to most of the audiences, whereas Queen Alexandra and her children are only legends to most of us. They belong in the days when royalty was royalty, when the conversation in the Sandringham drawing-room was full of references to Rudolf of Austria and Leopold of Belgium, when visits had to be carefully planned because "Nicky would be upset if you went to Berlin." When Princess Louise's engagement to the Duke of Fife is mentioned, Midshipman Prince George, later George V, exclaims in dismay, "He's a subject!"

But this is just the background. The story tells simply of a selfish woman who used her charm ruthlessly to ensure everyone's approval, and who destroyed her daughter's matrimonial prospects so that she might have her services as long as she needed them. The woman was Queen Alexandra, daughter of the King of Denmark and ultimately wife of the King of England. The daughter was Princess Victoria, who was kept in Alexandra's household until she became a prematurely aged old spinster.

However truthful the events Mr. Ryton portrays, his play remains a romance, one that ought to appeal to aficionados of royalty, of whom the booksellers' windows assure us there are plenty. The two best-written scenes are Victoria's proposals from Sir Arthur Davidson, an equerry, the kind of man who says "Someone may come in" when asked for another kiss, and Lord Rosebery, who is prepared to raise Cain to get what he wants, and only fails to get it because Alexandra inexcusably tells her daughter that he has syphilis.

Polly James gains all our sympathy through be mouse-like endurance, for ever coming out for a nibble at happiness but always chased off by her domineering mother, concealing her selfishness below a mask of maternal solicitude. Margaret Lockwood does not aim at a historical portrait but at a romantic one, using her generosity to ensnare the servants and her deafness to avoid discussion. Francis Lloyd as Davidson is pleasant but a shade restless with his arms, and Frank Barrie as Rosebery is romantic to the fingertips, both in his unhistoric good looks and his determined assault on Alexandra's defences.

There are some nice performances in smaller parts, some of which are catapulted by their names (or titles) into more importance than they are dramatically worth. I liked Zulema Dene as the ungainly lady-in-waiting; I liked William Eeedle as George, though he looks a bit old in Act One to be a midshipman and in the epilogue, as King, seems sometimes to be making a public speech—very unlike our gruff old George V. There is a vivid performance by Sheila Burrell as Alexandra's sister Minnie, mother of the Tsar, who could never be made to understand about the Russian Revolution; but the macabre epilogue in which she is as her best goes on too long.

Wendy Hiller returns

Dame Wendy Hiller will return to the West End stage in a new play by Ronald Gow The *Old Jest*. Also starring are Roland Culver, Anthony Bate and Rosalind Ayres.

The play is designed by Peter Rice with lighting by Nick Chelton and is directed by Eric Thompson.

The Old Jest will open at the Theatre Royal, Brighton on May 19 and then visit the Richmond Theatre on May 26 and the Alexandra Theatre, Birmingham on June 2. It will open in London during the second week in June.

The play is adapted from the novel of the same name by Jennifer Johnston.

Record Review

Problem Symphonies

by ANDREW CLEMENTS

Maxwell Davies: Symphony. Philharmonia/Rattle. Decca Headline HEAD 21, £5.25.
Panufnik: Sinfonia di Sfere, Sinfonia Mistica. London Symphony/Atherton. Decca Headline HEAD 22, £5.25.
Shostakovich: Symphonies Nos. 6 and 11. Bournemouth Symphony/Berglund. EMI SLS 5177 (two records), £10.75.
Parry: Symphony No. 5, Symphonic Variations, Elegy for Brahms. London Philharmonic/Boult. EMI ASD 3725, £5.40.

The stir created by the premiere of Peter Maxwell Davies's Symphony two years ago was remarkable for the first performance of a work by a native composer still in his early forties. That Davies had called his four-movement piece a "symphony" had almost everything to do with it; the battalions of the traditionalists hastened to welcome this erstwhile member of the avant garde to their ranks, while to the wider musical public the completion of a symphony signalled an awareness on the composer's part of the necessary trappings of becoming an establishment figure.

But what surprised at least this listener to that first performance, and which is reinforced by the recording made by the same admirable forces, was not the amelioration of Davies's musical language—that had been apparent as a gradual process in his work over the previous five years or so. Instead one was taken by how very consciously *orchestral* the music sounded, how the purely functional instrumentation of the earlier pieces for orchestra had been replaced by authentic figuration which would not have been out of place in a symphony by Mahler or Sibelius. The result is a convincing and immediately assimilable "symphonic" texture, and for Davies, too, it seems, the work became a symphony because of its well-wrought surfaces: "I believed the work could mark the possibility of the beginning of an orchestral competence."

Yet, as Hans Keller has pointed out, if orchestral competence were the primary prerequisite of symphonic thought, Richard Strauss would be regarded as a great symphonist, and Davies has caused his listeners some trouble by calling his work a symphony, encouraging a particular approach to it. For example, in the first movement, we expect to hear, if not a fully worked-out sonata form, at least some contrast of statement and counterstatement, harmonic movement and harmonic stasis. Davies certainly provides his own kind of tonic-dominant polarity and bundles of thematic material that could easily serve as first and second subjects. But from the outset everything is statement and development at the same time; there is a continual flux that fails to provide the innocent ear with thematic landmarks apart from a couple of short tags.

The saw-tooth profile of the movement—a series of self-contained paragraphs, each building to a climax and each working through its own set of thematic possibilities — also does not aid comprehension of the whole. But it does produce some thrilling moments: a slowly accumulating string passage which begins in the lowest registers and builds layer upon layer; most spectacular of all, the climax of the entire movement when the most prominent of the thematic tags is tossed between woodwind and brass. The finale, too, overwhelms with its orchestral virtuosity and structural complexity, brought to a halt by a Sibelian homage— a remembrance of the stuttering chords that close the fifth symphony—though again there is a sense of ends left untied, of cumulative tension undischarged.

The problems of what remains a deeply impressive composition are entirely confined to the outer movements, however. The central pair—a Lento that turns itself into a scherzo (the structural nod towards Sibelius's fifth) and an Adagio of apparently limitless horizons in which Davies's ability to sing the longest of melodic lines reaches its most sustained utterance—must be placed very high in his achievement. The Symphony certainly spans the emotional range of the great 20th-century examples of the genre, but after less than a dozen hearings it remains an incomplete experience; such an accomplished recording, however, is the ideal way of enriching that experience.

Would that there were problems of similar profundity in Panufnik's fifth and sixth symphonies! The craft is certainly there: every bar betokens an orchestral competence, an acute sensitivity to sonority. The symphonies date from 1976 to 1977; austere works, shorn of spare flesh, cultivating a clipped mood of statement, and both built upon strict geometrical schemes.

The result is rather unrewarding pattern-making: the *Sinfonia di Sfere* progresses through a series of three spheres, with mirror images; the *Sinfonia Mistica* constructs its material upon the number six—six sections, based on six triads, six harmonic combinations, six melodic patterns, and written in a metre based on six beats in a bar. Each section of this sixth symphony is given its own characteristic sound world, and that at least prevents undue monotony. But beyond that the effect is of a journey around the boundaries of an essentially static musical object, during which one can admire the mechanics of its construction but fail to apprehend the emotional freight it is designed to carry. The fifth symphony produces three large-scale ternary movements out of its geometry and the design is perhaps rather less obtrusive. There remains nevertheless an inevitability about the proceedings which prevents any credible response.

The latest instalment in Paavo Berglund's promised cycle of the Shostakovich symphonies lights upon a valuable coupling of unfamiliar works. Within the sixth and 11th symphonies can be found many of the strengths and weaknesses of Shostakovich's uneven output: neither work is entirely successful. The sixth begins with an extended Largo of taut simplicity, of a few potent melodic ideas, but follows it with the two movements of utter inconsequence, an acidly fertile scherzo and jokey, Prokofiev-like finale. The whole does not begin to cohere as an abstract symphonic argument and one falls back on the existence, perhaps, of a covert programme.

In the case of the 11th, the programme is entirely explicit. It bears the subtitle "The Year 1905," and is arguably Shostakovich's most successful attempt at socialist realism. It depicts four episodes in the Bloody Sunday massacre at St. Petersburg, and they correspond to the plan of an enormous symphonic poem, spread on the widest cinematic canvas. The finale, "Alarm," is the weakest movement, the first two, "Palace Square" and "Ninth of January," the most memorable. The "Ninth of January" is built on an epic scale, vividly portraying the massacre and utilising a considerable amount of folk material. Shostakovich's control of this material is ingenious; the substance of the symphony is as tightly organised as in any of his non-representational works, though the emotions are less subtle, more baldly revealed.

The problem in Sir Adrian Boult's record of Parry (rumoured to be Sir Adrian's final disc) is lack of originality. Brahms lies heavily on every page of the fifth symphony and strangely enough only the *Elegy to Brahms* admits a more personal, English strain. Yet despite the intuition it remains a hugely enjoyable selection, even if it is one that could be heard too frequently. For anyone who finds Brahms unpalatable (of all the established great composers he perhaps arouses the greatest divergence of opinion) Parry is a pleasant, diluted surrogate.

Coliseum

Gala '80

by MAX LOPPERT

The practical purpose of the ENO Gala '80 on Tuesday evening, given in the presence of the Prince and Princess Michel of Kent, was to enrich the English National Opera and Sadler's Wells Benevolent Fund. But the artistic aim, as of all such evenings, was to "do something different" — invite company members to sing music not normally associated either with them or with the house, introduce special guests, remind the audience of established triumphs — and so to consolidate a sense of occasion. Galas being unwieldy to plan and, more often than not, fatiguing in the actual experience (the excitement of the programme being soon submerged in a sensation of surfeit), it is probably stronger praise than it seems to say that this one avoided over-indulgence, if not completely, then longer than most.

Colin Graham, responsible for the overall staging, had determined that the theatrical aspect of the evening should not be entirely discounted. Each item, enacted before an appropriate slide projection, was played in costume and at least minimally dramatised; the daunting prospect, therefore, of a parade of sopranos in extravagant couture limbering up for the World Operatic Olympics was at least partially evaded.

The first half, sung (against usual company practice) in the original language of the excerpt, went more nippily than the second. John Tomlinson as Zaccaria and the chorus gave us noble slices of *Nabucco*—a foretaste, one hopes, of some future production; Della Jones, the ENO's current mezzo mistress of roulade and run, was alert, dashing, and admirably stylish in an aria from Donizetti's *Alfredo il grande*; Valerie Masterson, fresh from the Paris Opéra *Faust*, introduced to London her prettily artless Marguerite (though slack conducting from David Lloyd-Jones and a slightly nebulous Faust in John Brecknock dimmed the lustre of her performance); and the evening's operatic guest, Gwyneth Jones, brought part one to a loud close with her blowzily sung but rivetingly interpreted *Salome* Final Scene. (How much longer can Miss Jones's voice stand the punishment she metes out to it?)

Predictably, there in each half at least two items too many. Opinion no doubt differs over what these might be: my candidates for excision would have been the *Rigoletto* Quartet, awkwardly delivered, and an uncertain comic sketch, taken from Wagner's writings, of Rubini's Ottavio in Paris (Edward Fox, narrator here, had earlier given us a beautifully weighted reading of the Heath-Stubbs Mozart and Salieri poem). And later, the *War and Peace* scene 6 and the comic trio from Rossini's *Italian Girl*, both strangely ineffective torn from context.

The good things in part two added up, altogether, to a somewhat indigestible pudding: Linda Esther Gray's gloriously legato account (despite a single slip) of Elisabeth's Greeting; a large chunk from *The Mastersingers* (too weighty for the hour, but made moving by the radiant reappearance, after a long illness, of Margaret Curphey); Rita Hunter's utterly secure and brilliant Turandot, sung in very bad Italian; and the close of *Fidelio*. Lois McDonall's "I dreamt I dwelt in marble halls" gave as much pleasure as anything on the bill; Miss McDonall is an artist of distinction. At the end of the evening, and despite twinges of satiety, the impression of a company healthy, sane, and artistically well-ordered was complete.

Geraldine McEwan and Alec McCowen

Leonard Burt

Lyttelton

The Browning Version

A Rattigan play was long overdue at the National, and as *The Browning Version* is certainly his best play (and he thought so too) they have chosen wisely to show it to us. There is of course the difficulty that it is only a one-act play, and something must fill the rest of the evening. Michael Rudman's decision is to follow it, as was done at its first production, with the one-act farce *Harlequinade*; and this is a good idea, for after the sadness of the first play, something is called for to show that what happens on the stage is not really true.

Harlequinade shows a dress-rehearsal of *Romeo and Juliet* by a touring company led by two long-married players. It would be wrong to describe more of what goes on than that. The rehearsal is constantly interrupted by both theatrical and non-theatrical intrusions until it ends in total confusion—none of the careful tieing up of ends that Feydeau went in for—with the fusing of the lights. Some of the laughs are perhaps too confined to theatrical audiences; but audiences always like to believe that they are being taken into the actors' confidence. Those who have had the good fortune to have seen *The Dresser* can perhaps gain some idea what a *Romeo and Juliet* would be like played by Sir's company.

The Browning Version is another matter. I do not know a better one-act play than this. The simple plot, of the unexpected gratitude of a schoolboy to an unpopular master, and the master's wife's poisoning of the situation that has brought him such pleasure, is superbly wrought. Alec McCowen makes the master, Crocker-Harris, a brisk and alert man in spite of the weak heart that has led to his premature retirement, and the fact that he misses nothing amplifies the grief with which he receives his long, unsatisfactory life.

His bitchy wife is beautifully under-played by Geraldine McEwan, never outwardly unpleasant, simply uttering her barbs of cruelty as if they were everyday conversation and so emphasising the sadness of having had to live with them so long. There is a nice performance by Nicky Henson as the young master with whom she has been having an unserious affair, and Graeme Henderson brings the boy Taplow to life from the moment when, arriving too early at Crocker-Harris's room for extra work, he helps himself to a chocolate from an open box. The other characters are deliberately flatly written.

Mr. McCowen and Miss McEwan are the leading players in the touring *Romeo and Juliet*, and they have taken good care not to exaggerate their weaknesses. Mr. Henson appears this time as Jack, the stage manager with his hands full of disturbances, and among numerous small comic parts there is a delightful appearance, usually at an upper window in Carl Toms's set, by Ellen Pollock as the Nurse, always ready with a little hint. Some of the references in the script have been updated; the atmosphere is eternal.

BY B. A. YOUNG

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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000
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Saudis raise the oil price

OVER THE past 18 months the escalation of oil prices has been such that consumers, both industrialised and developing countries, have become partially anaethetised to increases. The decision of Saudi Arabia to put up the rate for its main crude by $2 per barrel to $28 is not unexpected. Even after the increase Saudi crude remains much cheaper than the crudes of other members of the Organisation of Petroleum Exporting Countries, particularly that of Iran.

The move comes in advance of next month's OPEC conference in Algiers as part of a renewed Saudi attempt to reunify prices. With average OPEC "official" selling rates of nearly $30 per barrel the rate for Arabian Light has been an anomaly—and also a bargain for the four U.S. majors which continue to lift the bulk of Saudi crude.

Yesterday's Saudi increase is therefore both understandable and may well be politically necessary for the Kingdom's ruling hierarchy. To create the right market conditions for compromise Saudi Arabia has also maintained output at 9.5m barrels a day, about a third of OPEC's current total and 1m b/d above its "official ceiling" and has indicated that it may continue to do so for the rest of the year.

Precedent

Nevertheless, its decision will only be welcome if it brings about a rational price structure and an end to price leap-frogging. The precedents are not encouraging. Prior to the last ordinary OPEC ministerial conference in December and again in January the Kingdom raised its prices in an effort to bring a rational pricing structure to

No one should doubt the good intentions of Saudi Arabia and also Venezuela in their efforts to bring about price reunification. Immediately, however, there seems little ground for optimism that prices can be brought into line at the meeting in Algiers. In some ways, the circumstances now are more auspicious than they were before the conference in Caracas in December. The winter has been warm, the U.S. and most of the industrialised world is drifting into recession and, arithmetically, their supply of oil exceeds demand, despite cuts in output by several OPEC members.

All the present indications are, however, that the Militant tail of OPEC will once again wag the dog. The ability of the organisation to arrive at a reasonably moderate consensus has been made weaker than ever by the emergence of revolutionary Iran.

Improted goods

There could be no bleaker omen for the chances of price unification than the failure of OPEC to agree last week on the pricing recommendations of its ministerial committee on long-term strategy. It proposed quarterly, graduated price rises according to a formula which would link the real price of oil to the inflation and growth rates of the industrialised world.

In the event Iran, Algeria and Libya have registered their "reservations," insisting that the price should be linked to the cost of goods imported by OPEC members and to their own very high rates of growth. In reality the dissenting members want a continuation of the chaotic oil price free-for-all, grabbing the most that they can without any regard for the world's economic growth and stability. By this narrow view, the so-called "maximalists" are gravely jeopardising the chances of laying the basis for a new relationship between OPEC and the industrialised and developing world.

Common sense

THE TUC has misjudged the mood of British trade unionists. The great majority of them ignored yesterday's call for a day of protest against the Government's policies and went to work normally. Stoppages were largely confined to those parts of the country and those industries where there is a long-established tradition of militancy and unswerving obedience to trade union calls for action. The effect of the day's events has been to focus attention less on the errors of the Government than on the motives, objectives and competence of the TUC.

If, as the TUC believes, the Government is deeply unpopular throughout the country, yesterday provided little evidence in support of its proposition. Whatever they think of the Government, most and rank and file trade unionists see no merit in losing pay and disrupting production for the sake of what is in effect a political strike. In this they show more common sense than the TUC leadership.

Moving targets

WITH HIS announcement of a new tax on North Sea gas, Mr. David Howell, the Energy Secretary, last week added another item to the growing list of sensible Government decisions that have been vitiated by inept presentation and clumsy timing. In principle it is indisputable that Britain's gas resources should be turned more to the benefit of the exchequer, rather than the gas consumer. But the blind man's buff by which the Government has reached this obvious conclusion — staggering for a year from one unsatisfactory stop-gap to another — has exposed a disturbing preference for short-term expediency over the consistent strategic approach which would assist industrialists and managers in their long-range plannig.

Soon after the Prime Minister's personal intervention last May resulted in gas prices being pegged, the Government switched to a policy of steadily raising gas prices. To ensure this, the British Gas Corporation was in January set a new financial target: to earn a real annual return of 9 per cent on current cost assets over the next three years. This target was to be the main basis for BGC's corporate planning over this period and was to imply annual increases in gas prices of 10 per cent above the rate of inflation. But it now emerges that almost as soon as the target was announced, the Government had begun to plan a new gas tax which would, by its own admission, make a 9 per cent return unattainable without further big price increases.

Worries

To prevent prices rising further BGC will be given new targets. Instead of earning huge profits which then have to be loaned to the Government, BGC will earn a more modest return, while the excess profits will go directly to the exchequer. As far as the Government is concerned the whole matter will have been brought to a satisfactory conclusion.

But from the standpoint of BGC's management, and of the managements of all the other nationalised industries, this sequence of events is much less satisfying. There are two immediate worries. Firstly, the Government has shown total disdain for the system of financial targets, which is in theory supposed to be the basis not only of the industries' corporate planning, but also of their whole relationship with government, including the assessment of managerial performance. Secondly, by setting financial targets to accommodate pre-determined price increases, the Government has in effect taken over control of BGC's pricing policies.

At a more fundamental level, the most disappointing aspect of the whole gas pricing saga, has been the Government's apparent lack of interest in confronting the real questions about the nationalised industries' relationship with government. A tax on cheap gas from fields not subject to Petroleum Revenue Tax may well be a sensible measure, but it will merely disguise the deeper issues thrown up by the huge profitability of some of the nationalised industries.

In addition to British Gas, the oil, telecommunications and electricity industries should produce large profits over the coming years. The National Coal Board should move into profit in the more distant future. The last three industries will probably require all the cash they can generate in order to finance new investment, but this does not diminish the fact that they will be contributing substantially to the real wealth of Britain, and more particularly, to the exchequer.

At the moment these wealth-creating enterprises are closely supervised by government on the basis of short-term cash flow criteria, and the experience of the gas corporation suggests that an industry's success and profitability affords it no protection from government interference. It is time for a major reappraisal of the nationalised industries' financial arrangements, aimed at re-establishing the primacy of profits over cash-flow, and at providing incentives for managers and workers to achieve their financial targets without detailed interference from government.

Towards a new balance in world reserve currencies

BY DAVID MARSH

THE LAST weekend in April proved to be a far from propitious time for the hatching of grand international designs—on the monetary front as well as on the wider world scene.

Set against the abortive U.S. mission to free the Tehran hostages and the EEC summit deadlock over Britain's budget payments, the failure of a group of world finance ministers to agree on a scheme to re-shape the structure of international reserves could hardly have expected to get very near the headlines.

But in contrast to the dashing of hopes at Tabas and Luxembourg, the setback in Hamburg to the International Monetary Fund's plans for a "substitution account" to increase the importance of the Special Drawing Right in world reserves had an important silver lining.

The disagreement at the IMF's interim committee meeting could turn out to represent a further step in the evolution of a much more flexible monetary system based on greater sharing of currency responsibilities among the main industrialised countries. This would continue the gradual progress—since the break-up of the Bretton Woods system at the start of the 1970s—towards more symmetry in monetary arrangements between the U.S. and the rest of the world, and may in the long run provide the best chance of bringing order to exchange markets.

The substitution account aimed to introduce a major new component into the foreign exchange holdings of central banks by giving them the chance to acquire assets denominated in SDRs to replace part of their dollar reserves. But essentially the IMF's plan was a sideshow which avoided the real issues. The scheme effectively would have provided a subsidy to prevent any net withdrawals of dollars from the U.S., and a shelter to protect other countries from the effects of unwanted flows of central bank money into their currencies.

In cold-shouldering the plan (it has been put on ice indefinitely), the finance ministers of the IMF's interim committee have, for better or worse, steered the world firmly on to the path towards a full-blooded multiple currency reserve system. Fearing that any change from the status quo could heighten currency instability, many of them have spent years trying to forestall such a course. But they have now sanctioned an arrangement under which the dollar, while remaining the pre-eminent reserve asset, shares its international role more widely with the other major currencies, especially the D-mark, yen and Swiss franc.

The route involves both risks and challenges. During the last few years, West Germany, Japan and Switzerland have faced increased reserve demand for their currencies as an inevitable consequence of the relative decline in the economic importance of the U.S. and the huge build-up of world foreign exchange holdings. Wary of complications for their domestic monetary policies, they have tried to fend off the pressure and the responsibilities.

For a variety of reasons — in which enlightened self-interest plays an important part —the alternative reserve currency countries now accept that they have no choice but to take some of the burden off the dollar. And the onus has now been put on to their central banks to find ways of managing a multiple currency system in order to spread the obligations and benefits as evenly as possible.

In contrast to previous barnstorming efforts at monetary reform over the past decade, the emphasis is now on quiet mutual collaboration among the central banks most closely involved.

Co-operation within the industrialised country "club" of the Group of Ten and Switzerland has already intensified over

The emphasis is on quiet collaboration among the central bankers involved

the last 18 months, especially over exchange rate policies.

Significantly, there now appears growing interest in extending these links to the large and increasingly important reserve holders — at present outside the club — among the oil exporters and the rest of the developing world. Unless the West succeeds in winning their co-operation, a system of competing reserve currencies presents obvious risks of instability.

Pointing to the growing international integration of monetary policy-making, Herr Karl Otto Poehl, the new Governor of the West German Bundesbank, has spoken of a "new dimension in central banking."

Powerful quartet of world central bankers: Dr. Fritz Leutwiler (left) of Switzerland, Mr. Haruo Maekawa of Japan, Herr Karl Otto Poehl of West Germany and Mr. Paul Volcker of the U.S. (right).

It is significant that the U.S. and Japanese central banks, as well as the Bundesbank, have also acquired new internationally-minded governors during the past nine months in Mr. Paul Volcker and Mr. Haruo Maekawa.

Together with Dr. Fritz Leutwiler, the president of the Swiss National Bank, they form a powerful quartet, whose careers now reconverge after meeting on several occasions in the past. Mr. Volcker and Herr Poehl, for instance, got to know each other well when they were opposite No. 2s at the American and German Finance Ministries during the currency crisis days of 1973. And Mr. Maekawa formed a close acquaintance with Dr. Leutwiler in 1968 when both were members of the monetary reform group headed by Sig. Rinaldo Ossola of the Bank of Italy.

The quartet has already been at work. Important elements of the yen defence package announced in Tokyo at the beginning of March were worked out by the four men on the telephone. Over the past two months, the Bank of Japan has cemented co-operation further by agreeing for the first time a series of "swap" lines —mutual credits which can be drawn to provide ammunition for currency intervention—with the other three central banks.

Nothing better illustrates the changing attitudes to reserve currency responsibilities than the markedly greater flexibility shown by the Bundesbank during the past few months. According to its own figures, reserve holdings of D-Marks at the end of 1979 came to at least $37bn, or 11 per cent of world foreign exchange reserves. Yet as recently as last November, the Bundesbank was still repeating in its monthly report the standard argument that a multi-currency system was intrinsically destabilising and that a limitation of the D-Mark's role would be in the interests both of Germany and the rest of the world.

With the arrival of a new governor (and, it must be said, a dramatic change in Germany's external economic fortunes), the tone is now much more accommodating. The Bundesbank's annual report published last month says there are still "fundamental reservations" about an increase in the currency's reserve role. "But a certain amount of additional reserve demand for the D-Mark will have to be accepted. Indeed, under certain conditions this demand will have to be satisfied by appropriate means."

In part, the change reflects a purely tactical adjustment to the emergence of a current account deficit expected to be a most un-Germanic $12bn to $13bn this year. After years of trying to repel hot money flows —which resulted in little more than driving a great deal of D-Mark reserves on to the Euro-market—Germany is now trying to attract funds into the country. The recent government borrowing from Saudi Arabia broke a long-standing refusal to allow "tailor made" D-Mark bond issues to be sold to foreign monetary institutions.

But there is also a longer-term acceptance of the D-Mark's world role. Herr Poehl believes that OPEC members must be offered attractive diversification instruments or else they will leave their oil in the ground. The D-Mark's reserve currency function is also increasing purely as a result of international efforts of currency stabilisation.

The U.S. now owns for the first time large stocks of foreign exchange, acquired as ammunition for dollar intervention. Most of these reserves, worth over $5bn at present, are naturally held in D-Marks.

The cautious moves towards internationalisation of their currencies on the part of Japan and Switzerland have been for much the same reasons. Japan faces a current account deficit almost as large as Germany's this year after losing $13bn in reserves last year. Switzerland faces a much reduced surplus, and may even go into the red too.

Against this changed background, it was almost inevitable that the "hard currency" countries which had once supported the substitution account would be cool to the idea in Hamburg. The idea was to allow central banks with excess dollar reserves to exchange part of their holdings for the SDR-denominated assets issued by the Fund. The dollars paid into the account would still have been placed in U.S. Treasury bills—landing the Fund with a large potential exchange risk. Haggling over just how this risk was to be covered was one principal reason for the disagreement in Hamburg.

The Bundesbank in particular objected that the mechanism would allow the U.S. to convert its outstanding Treasury bill debts into "War Loan"-type obligations of practically limitless maturity. Since the U.S. itself also made clear that, in spite of its earlier warmth, it had little enthusiasm for the idea, and the developing countries were distinctly hostile, the fate of the substitution account was sealed. Some central bankers in Europe are expressing surprise that the IMF had pitched expectations so unrealistically high.

What happens next? There appears to be little support for the Belgian proposal made immediately after the Hamburg meeting that the EEC should issue bonds to OPEC members denominated in European Currency Units. This is dismissed as a "gimmick" by the Bundesbank.

There are in fact three likely sets of consequences. The first is that the number and volume of currencies used as alternative reserve assets is likely to grow. World foreign exchange reserves have been rising at about 20 per cent per annum over the past few years (and that is an understatement as the official figures exclude significant OPEC holdings). There is considerable room for volume growth in other relatively minor reserve currencies like sterling and the French franc even if the dollar component of currency reserves falls only slightly from its present level of 75 to 80 per cent.

Second, central banks will find that a multiple currency and intervention system poses increasing problems for exchange rate policies. Closer co-operation has resulted in a proliferation of formal or implied "target zones" for different currencies. For instance, the Bundesbank must collaborate with the U.S. over the dollar, with the EEC over the EMS currencies, with the Swiss over the National Bank's target for the franc and now with the Japanese. Not all exchange rate targets can be mutually compatible — as has been shown on more than one occasion in the EMS.

Finally, it seems that steps will have to be taken to strike a closer balance between the diversification needs and obligations of the industrialised and developing parts of the world. The Western central banks

Holdings of D-Marks came to $37bn, or 11 per cent of world reserves

need to assess the volume of official demand for their currencies and take steps to satisfy it; and the developing countries should undertake to avoid unreasonable juggling between different reserve currencies.

The Bank of Japan already has understandings about yen reserves held by South East Asian central banks; the U.S. and now Germany have made special arrangements to satisfy the reserve needs of Saudi Arabia and maybe other Middle East countries; the Bank of England has close contact with the former sterling area countries, which it still uses effectively to help police the sterling balance agreements; and the Swiss just in the last few weeks have started to allow central banks to hold short-term debt instruments issued by the National Bank.

All these links must be built upon. It is unlikely that the Bank for International Settlements would serve as a regular forum for expanded consultations, as the present circle of participants at the monthly meetings of central bank governors like to keep their gatherings small affairs. But there is no reason why the BIS should not serve as a jumping off point for wider co-operation. Next month's BIS annual meeting, when central bankers from all over the world assemble in Basle for the bank's 50th birthday celebrations, would present a good opportunity for starting the ball rolling.

MEN AND MATTERS

Diplomats return to stem flood

While Iran's sudden imposition of visa controls on British travellers is unlikely to produce queues outside the Iranian consulate in London, it seems that the staff of the British Embassy in Tehran is to be strengthened by three diplomats to cope with the Iranian "students" and others anxious to get out.

Officially, Britain's visa controls are part of the EEC's package of sanctions against Iran. But it seems that ever since the Iranian Revolution 15 months ago, British officials have talked privately of the possibility of reimposing controls, terminating the visa abolition agreement made in those far-off boom days when Tehran's hotels were packed out, and Iranian tourists in London were visitors with plenty of money unlikely to overstay.

De facto restrictions on Iranians going to Britain have already been in force for nearly a year, by way of advance clearance from the Tehran embassy for intending students, and through strict controls at Heathrow for everyone else. The number of those turned back has been the cause of much publicly voiced discontent in Tehran.

One ironic feature of the new, more formal, arrangements is that from a low point of four British diplomats a few weeks ago, and the possibility at one stage that they would all be withdrawn, the numbers will now rise to 14—well above the level at the time when Mrs. Thatcher announced that Britain would be running down its representation in the Iranian capital.

"Now at least no one will be able to accuse our members of not wanting to work"

Getting it right

In its attempts to make sure no-one is deceived about the quality of meat products, the Ministry of Agriculture's Food Standards Committee risks forcing the meat industry to mislead everyone about quantity.

The British Poultry Meat Federation has told the committee its recommendations on product description could mean increasing some pack-sizes in order to include all the required information. Some chicken burgers, for example, would have to be described as: "Reformed Chicken, contains 10 per cent mechanically recovered meat, with added water and phosphates, contains at least 65 per cent lean meat and 3 per cent vegetable protein. Product: Burger."

Banking on cachet

Membership of one of the world's most exclusive clubs is soon to be offered to selected individuals in the aftermath of the bitter family war waged among the display cases at Asprays, the Bond Street jewellers.

Now that Eric and son John have won undisputed control of the firm, they only want to keep just over half the 400,000 shares in issue. The rest will be placed by City bankers Morgan Grenfell and stockbrokers de Zoete and Bevan. Acceptors, who will be carefully vetted, are to be asked to pay £35 a share to join the firm. They will effectively be disenfranchised, since they will be a permanent minority. Getting out may be difficult too, as the brokers candidly admit that the price is higher than the market would bear.

But rigid commercial investment criteria are not everything in life, at least not to the class of shareholders Asprey is looking for. Rex Cooper, the de Zoete partner who will be conducting the search is confident that he will be able to find enough individuals prepared to pay handsomely for the Asprey cachet.

Knight cyclist

Snapshot of the City's way of dealing with the day of action: Nicholas Goodison, elegant chairman of the Stock Exchange cycles to the steps of the exchange, removes his bicycle clips, and straightens up in time to help alight from her Rolls Royce—Rose, one of the SE waitresses. The Rolls Royce, by the way, came courtesy of Rose's next door neighbour, a City banker.

Paranoia policy

Are you a company director worried about predators? Do you lie awake at nights wondering if you could meet the merchant bank's and solicitor's bills during a takeover defence? Let Lloyd's of London ease your sleep!

That is the tenor of a message beaming out across the City from a Lloyd's syndicate offering an imaginative little package under the laborious title of "Tender Offer Defence Expense Insurance." The syndicate is offering to meet 80 per cent of "most costs" of repulsion.

The first catch is that you must win the battle in order to collect. Then the premium might give you pause. At present the policy is designed with U.S. corporations in mind — minimum premiums of $35,000 rising to $100,000 for a sleepy, vulnerable U.S. giant.

Those figures like the $1m maximum pay out, would all need to be scaled down for the UK, where advisers put in slightly more modest bills.

Party season

The Ludwigshafen headquarters of BASF, one of West Germany's triumvirate of chemicals groups, is becoming something of a social roundabout this year —with half of its 10-man board of executive directors coming up to the age of 60.

Such an occasion might raise many an eyebrow in other countries, but in Germany it is taken as an excuse for frenzied festivities. Corporate bosses can count on attracting leading personalities from industry, banking, academe, and politics to the celebrations.

Matthias Seefelder, chairman of the BASF executive board, staged his celebrations at the end of February with a special lecture from a Nobel prize winner, Manfred Eigen, a medal from the Federal President, a short note of congratulations from Chancellor Helmut Schmidt, and musical entertainment from a Viennese orchestra.

Other BASF colleagues going through the same rituals during the current season include deputy chairman Hans Moell, finance director Ernst Denzel, and research director Horst Pommer.

The dark side of the medals and waltzes is the company's strict rule of retirement at 65. More members are to be added to the board to cope with the company's growing international activity.

Observer

ECONOMIC VIEWPOINT

The mysterious dive in U.S. interest rates

THE ONE SURE thing about the dive in U.S. interest rates is that it was unexpected by any forecaster. It has been as much a surprise to the Wall Street gurus as to the purveyors of econometric models.

In April when prime rate reached 20 per cent, the disagreement was between the pessimists who expected it to rise to 25 per cent and the optimists, who hoped for a slow, gradual fall. In fact, the plunge is far greater then the prime rate alone would suggest. Treasury Bill rate has fallen by nearly half to about 8¼ per cent, its lowest since October 1978. Some three-months money rates have fallen from 19 per cent in March to the 9 per cent range this week.

Not only have analysts been taken by surprise by this development; but now that it has occurred they are at sixes and sevens about what it means.

In fact, there has been little evidence of a shift from fighting inflation to fighting recession in Administration pronouncements—taking a moving average of the statements of all its spokesmen. President Carter himself, in a statement that could have been drafted by an ultra-Thatcherite British minister, has said that reducing inflation remains tha first priority; and this is a pre-condition of any improvement in output and employment.

Mr. Paul Volcker, chairman of the U.S. Fed, insists that his aim all along has been a 3½ to 6 per cent growth in the narrow official definition of the money supply. This means allowing interest rates to fluctuate widely to take the strain. The fall in the money supply in the past few weeks is regarden as a temporary eberration, and the fall in interest rates is simply a by-product of getting it back on track.

The underlying policy has neither been stiffened nor relaxed according to the official explanation. Fed spokesmen state that tha real testing ground will come in the early recovery phases, after the present recession. For it is then

> **Fed spokesmen state that the real testing ground will come in the early recovery phases**

that a steady money supply would lead to rising interest rates and charges that the Fed was holding back recovery.

All tha same it hardly needs repeating that the U.S. money supply figures are extremely suspect—not just in detail, but as a guide to the policy stance. One of the best-known of the near money substitutes, the money market mutual funds, have continued to flourish despite Fed attempts to restrict them; and this is but one example of the distortions.

Whenever I point to the difficulty of defining or controlling paper money, some debating politician usually jumps in to say that this is a major concession or admission. Concession to whom? Certainly not to the view that one conters inflation by controlling particular wages and prices in the manner of a famous Roman Emperor.

It is surely possible to believa that inflation is almost entirely to do with money, without being at all sure how to measure money or even whether the volume of a purely paper currency can be controlled effectively in the long run.

The practical moral of these qualifications to monetarist doctrine (Mr. Healey, please note) is thet the official figures more often understate than overstate the monetary growth that has occurred; and that "savage deflation" is to be found nowadays mainly in political speeches and editorials.

To return from this very necessary digression. One of the conclusions of experts—such as Professor Ronald McKinnon of Stanford, who has gone into the matter in some depth—is that the movement of the dollar, as well as the money supply figures, should be taken into account in assessing U.S. monetary policy. If this is done, that policy seems more expansionary than President Carter or the Fed would concede.

The trade-weighted dollar index has fallen by about 8 per cent from its early spring peak and is back near the level where the international financial community raised the alarm at last autumn's IMF meeting, which preceded the Volcker package. This time, however, there is much less overseas pressure, as other countries—in particular, Germany—want to keep their own exchange rates firm for anti-inflationary reasons.

In the U.S. itself the improvement in inflation is so far largely cosmetic. The American inflation rate was never 18 per cent, apart from tha maddening habit of U.S. commentators of taking one month's figure and multiplying it by 12. On the other hand the inflation rate has not fallen to 6 per cent as a similarly simpliste interpretation of the April wholesala price index suggests. It has been around 13 per cent for nearly a year and shown little sign of a shift in either direction—although the Council of Economic Advisers still insists that the underlying rate, free of once-for-all distortions, is really 9 or 10 per cent.

The disagreement about the significance of the interest rate drop for inflation is parelleled by a similar disagreement about its meaning for the current recession. One school of thought considers that cheap money will help ensure the fulfilment of the Administration's prediction of a short and shallow recession. But economists who see the drop as coming from the demand side believa that it reflects a fall in business activity.

At least, it is clear that the recession, for which commentators were waiting for two years, has at last arrived in this second quarter of 1980. In my own view it will be moderately severe, if only because consumers who have been on a spending orgy will now want to build up their financial balances as their opposite numbers in Europe have already done.

But the U.S. economy could easily find itself with the worst of both worlds: a nasty fall in output, profigts and employment, but without any confidence in the persistence of monetary and budgetary restraint which would be required to have an enduring

> **It would be much less risky to reduce MLR if it were easy to move it up again without a showdown**

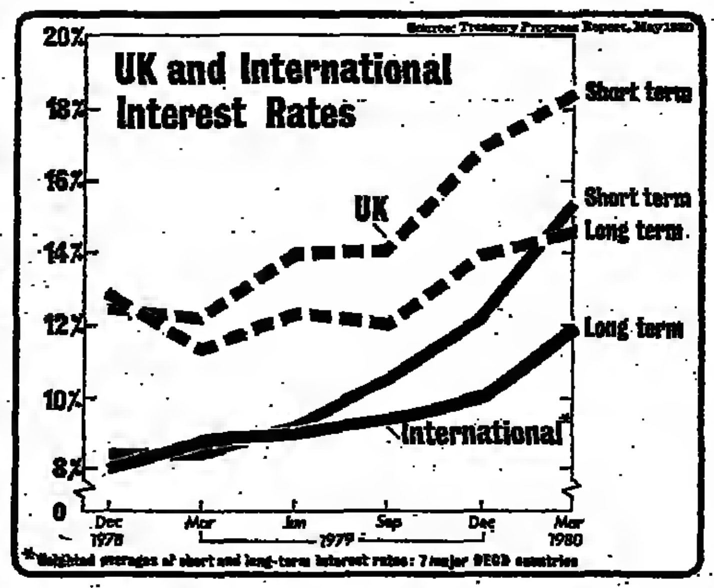
effect on prices and inflationary expectations.

Leaving the crystal ball for the present reality, one thing is clear on the interest rate front. Although the U.S. bond market has improved, the fall in short-term rates has been much greater than in long-term ones. In 1979 and 1980 a world-wide distortion developed in yield curves with short-term rates far above long. For the U.S. at least that distortion has come to an end; and the short-term rates have returned to their textbook position at the lower end of the spectrum.

What implications do these moves have for other countries? Floating exchange rates have broken the mechanical link between interest rates in different countries. But there has still been a broad similarity of direction of movement. Between the end of 1978 and the peaks of April 1980, the weighted average of short-term rates in seven major OECD countries rose by 7 per cent—from 8¼ to 15¼ per cent according to calculations in the Treasury's May Progress Report. The increase in rates, although not their level, was pretty much the same everywhere.

The increase in long-term rates was, at 3½ per cent, a good deal less. Here the international diversity was greater. The UK with a rise of 1¾ per cent was at the bottom of the range. As the long-term rate more nearly reflects inflationary expectations, this may provide a little comfort when the "shock, horror" increase of 20 per cent plus in the UK April Retail Price Index is published tomorrow.

If floating exchange rates enabla countries to go their own way on interest *levels*, they do not provide the same independence for interest rate *structures*. The chart suggests that although interest rates vary a great deal in different centres, the perverse yield gap which developed in 1979 and the first quarter of 1980, with short-term rates much higher than long, was an international development.



This suggests that, if U.S. short-term interest rates stay down, there will be increasing pressure on European countries to follow them. Tha British authorities may have the unenviable choice between a fall in Minimum Lending Rate (MLR) before the monetary case for this is cast iron, a further appreciation of sterling and inward exchange controls.

While my own choice would be further appreciation, this would probably strain the British political and business establishment to breaking point. The least-cost, next-best alternative would be informal inward exchange controls on the German or Swiss models. But what I think will happen is thet MLR will come down sooner rather than later, with the authorities trying to put the most favourable possible interpretation on the monetary indicators to justify it.

Seeing U.S. interest rates come down so quickly, wishful thinkers have asked: "Why can't British interest rate policy be quicker and more sensitive, like American policy?" These questions are of course only asked on the downside.

American policy has since last November been targeted on the monetary base—i.e. cash and bank holdings of reserves at the Fed. One aspect of base control is that interest rates are more volatile. The Bank of Englend has fought a last-ditch operation against thet method, as the Green Paper on Monetary Control shows.

Many of the same practical effects could be obtained by being prepared to vary MLR more frequently in both directions. This would involve going back to the original intention of making it a market rate, which could be linked, say, to inter-bank rate rather than Treesury Bill rate, as was formerly the case. The movement of rates would still be affected by Bank of England tactics in the money and bond market

If we were to go along this route ministers would have to accept that tha aim of reducing interest rates through lower Budget deficits was a long-term one and that there would be many fluctuations on the way. It would, of course, be much less risky to reduce MLR, if it were fairly easy to move it up again without a Downing Street showdown. If one is trying to regulate a monetary aggregate—or a compromise between a monetary aggregate and an exchanga rate as I have advocated for the U.S.—it is impossible to regulate interest rates as well without producing contradictory results.

One final reflection. At the end of March, the real rate of interest was positive in the U.S. and Germany, around zero in the UK and France and heavily negative for Japan and Italy. This is based on calculetions in the April 1980 *Exchange Rate Outlook*, publishad by Gower Press, which compare the six-monthly increase in wholesale prices with three-monthly Euro-currency rates. Since then, real rates have become negative in all countries except Germany.

Such a pattern can exist for a time in a recession, when the world is also being swamped with investible OPEC funds seeking an outlet. But eventually either nominal interest rates must rise or inflation rates go down.

In the U.S. the adjustment will, I fear, come from an eventual upward rebound in interest rates. In the UK, and perhaps in Japan, it could come from a fall in the inflation rate, actual and expected. But as this prospect is dependent on the British Government rejecting the greet bulk of the advice it is receiving from friend and foe alike (as well as from many non-Treasury ministers), one will have to keep one's fingers very firmly crossed.

Samuel Brittan

Letters to the Editor

Progress for South Africa

From Mr. R. Schurink.

Sir,—Rationalisation and restructuring are often necessary in the business world and quite often comented upon in your newspaper. I believe the West is missing a great opportunity to apply the same sort of sophistication in its statecraft *vis-à-vis* South Africa.

We have here a Government which admires and wishes to have the support of free-enterprise Western business. A suggestion from that world that it should take its restructuring cut from modern management methods, is unlikely to be ignored either by our government or our livewire business comunity.

Proper restructuring would undoubtedly reserve at least one operating division of the total enterprise (which every country is in one of its aspects) for continued exclusive management by white South Africans. This would reassure them about their eventual position and self-esteem (and the survival of their languages and identity), and make them such more amenable to a reduced role.

Borrowing a formula from the EEC for multi-national control of the integrated infrastructure should ensure uninterrupted economic progress for all the peoples of the sub-continent.

R. H. Schurink.
411 Kempton City,
1620—Kempton Park,
South Africa.

Jobs and rates

From the Regional Chairman, London and Southern Home Counties Association of Independent Businesses

Sir,—Mr. B. Engert's letter of May 12 concerning rates draws attention to an important issue that the Government is ignoring in its attempts to curb local government expenditure.

When industrial and commercial rates account for 60 per cent of locally raised revenue it is scarcely surprising that local voters are inadequately aware of the financlel and economic consequences of supporting spendthrift councils.

The economic consequences for ratepayers in inner London boroughs cannot be avoided, however. Many firms have moved out already. Small firms in particular operate in highly competitive markets and large increases in rates will be paid for locally in less jobs. This will compound the cycle of deprivation that is used to justify the programmes of many high spending authorities. Local councils must be made aware of this relationship both in tha interests of their electorate and of the wider national concern to promota employment.

The Government has no proposals to change the non-domestic rate system although domestic rates may be abolished—this will make the situotion intolerable for business rate payers in high spending areas unless there is a radical restructuring of local government.

Al alternative would be to reintroduce the business vote as a means of bringing practical experience to bear on the difficult problems facing local government. It would provide a formal consultation mechanism and improve understanding of policies required to meet the long-term needs of local employment and a greater contribution to public affairs by small businessmen who are usually strongly tied to their local areas.

In our large cities small firms hava seen a decline in the volume of local authority housing for ataff; the refuse collection service for industrial waste (for which we are charged additionally); main and secondary roads; the discipline and ednoational standard of school leavers (who seek employment as close to home as possible); and the quality of policing, essential for the protection of property. All these features represent cost constraints to the development of locally based industry and employment which many authorities claim to want.

Small businesses must join together to make these views known to central and local government if the environment of our worst problem areas is not to become totally inhospitable to industrial and commercial development.

E. A. Naptin,
Associetion of Independent Businesses.
Europe House,
World Trade Centre, E1.

Business names register

From the Honorary Chairman, Aelib Economic and Business Group

Sir, — On behalf of the business information community, I would like to edd our voice to those campaigning against the proposed closure of the Registry of Business Names. The Registry resulted from a need to protect the public from unscrupulous or fraudulent compenies and the legal requirement to register the names of a company and to make this register available to the public, is of invaluable benefit. Without the Registry on which to fall back, the public would have no safeguard. Many of us would like to see the information held by the Registry kept up-to-date and perhaps an automatic cut-off date of five years, if a company does not re-register in that time. In this way we may he able to ensura the information held in the Registry is accurate.

(Miss) Gillian Dare.
3 Belgrave Square, SW1.

I'm a dreamer—aren't we all?

From Mr. W. Heymanson.

Sir,—A watershed was marked when Barbara Castle said "Power now resides on the shop floor." This rank and file muscle flexing power shows no sign of percolating into shareholder power.

The average shareholder is singularly inarticulate. Flagrantly inaccurate forecasts often go unremarked at annual general meetings, it seems when things go bedly wrong the thinking is "don't throw good time after bad money" or cut your losses, vote with your feet! All are familiar with the term bulls, bears and stags but there are also lambs, who bleating weakly go to their inexorable slaughter.

AGMs more often than not are tedious non-events a legalistic rubber stamping with no additional effort by the chief executive to communicate with, or inform the owners of the company.

I suggest shareholders ... prospective shareholders should be more aceptical and sophisticated in their appraisal. J. M. Keynes said "No one would ever invest at all if they did not do so in hot blood."

What equity investors need is the time and inclinetion to follow more closely the fortunes of the company in which they have an interest, weigh up the risk and reward ratio, and attend AGMs. At least the men on the platform can be appraised as the sort of men from whom you would or would not buy a second hand car.

£ The glossy public relations' produced annual report should be looked at with the circumspection that we look at a sausage. Don't judge it by the skin! Remember the old punch cartoon of an AGM, when the chaiman announces, "The chief executive will now lead the board in singing "I'm a Dreamer Aren't We All".

W. Dennis Heymanson.
The Manor House,
Middleton-on-Sea, Sussex.

The cliff of inflation

From Mr. M. Clarke

Sir,—Having read for the hundredth time in your newspaper that monetary restraint seems to be fuelling rather than bringing down inflation, I venture as a puzzled citizen to state what I think is the simple practical reason for this leck of effect. It is so simple, I must have made a mistake, since so many people more knowledgeable and wiser than I are engaged with this question, but if I put it into words at least I should heve the satisfaction of being told where I am wrong—if I am wrong.

How can a union negotiator do other than squeeze out of a business the uttermost farthing, since that is his job. He does not know what other unions are doing or getting, and cannot possibly lower his sights on vague grounds of patriotism or the interests of industry, as if others are succeeding in getting more he would be letting down his men, and their wives and families. A condition of showing restraint in anything is that others are doing the same, otherwise you may prove a fool, and if you are responsible for others let them down.

It is for that reason that Mr. Healey was able to bring down inflation: peopla knew what they were doing. The limit was mechanical and bad as an incentive, but at least it meant that the negotiator knew he wasn't being taken for a ride—he and his dependants. Is not this the real meaning of "incomes policy," a phrase that puts people off and disturbs the laissez-faire instincts of Mrs. Thetcher: that the negotiator knows what he is doing and how he stands in relation to others?

I do not know how this could be managed, that the negotiator should act *en connaissance de cause*, as the French put it, but unless it is effected we shall go on, it appears to my simple mind, running ourselves over the cliff of inflation.

Mr. A. Clarke.
16, Stedham Chambers,
Coptic Street, WC1.

Banking habits

From Mr. L. Goslin.

Sir,—Despite protestetions ... once ... unwanted statement from my bank marked "On request." On whose request? Needless to say, it shows a debit balance.

In other words it is a rather gutless "wrap over the knuckles" for daring to borrow the banks money without prior permission. In fact, in this particular instance, I had actually arranged an overdraft.

Wouldn't it be nice to get these unsolicited statements when one was in the black—with perhaps the kind suggestion that one should transfer one's money forthwith to the deposit account where it would earn interest. Alas, this is not to be.

Instead, a neat little "con" trick has been perpetrated on the ill-used and long-suffering public, whereby interest on loan account is now added quarterly while money on deposit still attracts it on the old six-monthly basis.

L. S. Goslin,
"The Cottage,"
2 Wyke Oliver Road, Preston,
Weymouth, Dorset.

Motorway in Yorkshire

From Mr. A. Watkinson.

Sir,—I was pleased to see Dr. Beryl Foyle's letter (May 10) in favour of building the badly needed M40 and M42 motorways. These roads are long overdue and once in use they will be a tremendous asset to industry as well as relieving many towns and villages such as Banbury, which at present are choked with heavy traffic.

Britain certainly needs more and better roads and this applies in the north-east as well as the Midlands. A new motorway linking the M1 and M62 passing between Leeds and Bradford and west of Harrogate to join the A1 and A168 at Dishforth is urgently needed as the old A1 between Dishforth and Doncaster is grossly overloaded.

This new road would use mainly pasture land, and betwean Harrogate and Ripon former transport land could be re-used at the derelict railway could be incorporated into the route of the new motorway.

A. I. Watkinson.
3, Otley Road, Harrogate,
North Yorks.

Employee share schemes

From Mr. D. Peffer

Sir,—Other letters have drawn the attention of your readers to the proposals in the Finance (No. 2) Bill, which affect employee share schemes.

One proposal, if enacted without amendment will encourage the introduction of future save-as-you-earn linked employee share schemes, by deferring the participant's liability to pay income tax beyond the date of exercise of the option. While welcome, the proposal does not extend to existing schemes. This is so manifestly unfair that I would urge administrators of and participants in existing SAYE share option schemes to petition their MPs for an amendment which will embrace existing schemes.

The social awareness of those companies who have already introduced such schemes should not result in their participating employees being less favourably treated in comparison with those of companies yet to recognise the benefits of employee share schemes.

David W. Peffer.
8, Green Mead, ...

Today's Events

UK: Mid-April figures of UK banks' assets and liabilities and the money stock.

Mid-April statistics of London dollar and sterling certificates of deposit.

Mr. Anthony Wedgwood Benn, MP, gives Granada Television lecture "The Role of the Trade Unions," City of London Guildhall.

Birmingham Chamber of Industry and Commerce seminar to investigate trade in Algeria.

Queen and Prince Philip visit Thamesmead, London.

Sir Peter Gadsden, Lord Mayor of London, attends Wheelwrights' Company dinner, Mansion House.

Overseas: Lord Carrington, UK Foreign Secretary, Mr. Edmund Muskie, U.S. Secretary of State, and Mr. Andrei Gromyko, USSR Minister of Foreign Affairs, attend 21st Anniversary of signing of Austrian State Treaty, Vienna.

Chancellor Helmut Schmidt of West Germany begins two-day visit to Rome for talks with Premier Francesco Cossiga.

PARLIAMENTARY BUSINESS

House of Commons: Progress on Health Services Bill, followed (at about 7 pm) by debate on the appointment of BSC chairman. Motion on Iron and Steel (Borrowing Powers) Order.

House of Lords: Iran (Temporary Provisions) Bill, second reading and remaining stages. Social Security Bill, third reading.

Select Committee: Environment. Subject: Council house sales. Witnesses: Catholic Housing Aid Society, House Builders Federation (Room 15, 10.30 am).

COMPANY MEETINGS

APV, New Zealand House, Haymarket, SW, 12. BBA, Bradford, West Yorks., 1.30. Berkeley Hambro, 51, Bishopsgate, EC, 3.30. J. Bibby, Adelphi Hotel, Liverpool, 12. Carron, Carron, Falkirk, 12. Comben Group, Bristol, 12.30. Expanded Metal, 116, Pall Mall, SW, 12.30. Ibstock Johnsen, Hyde Park Hotel, Knightsbridge, WC, 12. Legal and General Assurance, 11, Queen Victoria Street, EC, 2.15. Municipal Properties, Tonbridge, Kent, 11.30. New London Properties, Dorchester, Park Lane, W., 12.30.

RHM £4m ahead midway but warns on second half

TAXABLE profits of Ranks Hovis McDougall advanced to £20.22m in the six months to March 1, 1980, compared with £16.06m last time, when the results were depressed by the strike in the UK bread industry.

But the directors warn that only a small improvement is expected in the second half — total profits last year were £34.46m (£32.1m).

The increased surplus for the first six months is due not only to the recovery of the bakery side, but to better results from the agricultural, cereals and overseas divisions, they point out.

However, the improvement was significantly offset by higher interest rates and borrowings, together with lower profits from the grocery division following its record surplus last year, and increased losses in Ranks (Ireland).

First-half turnover rose to £740m (£683m) and the pre-tax surplus is struck after depreciation of £10.75m (£10.71m), interest £9.45m (£7.25m) and rationalisation costs of £0.41m (£0.89m), but includes investment income of £80,000 (£185,000) and associates' profits of £1.44m (£1.4m).

Stated earnings, after tax of £8.6m (£5.95m) are up from 3.5p to 4.2p per 25p share, and the interim dividend is raised to 1.524p (1.452p) — last year's final was 2.121p.

Minorities take £111,000 (£394,000) and there is an extraordinary credit this time of £492,000 (£10,000 debit). Comparative figures have been restated in respect of deferred tax and closure costs.

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HIGHLIGHTS

Lex looks briefly at the latest figures for average earnings and then covers the largest company news stories of the past two days. Two of the major composite insurance groups, Royal and Commercial Union, have reported improved figures compared with the weather-affected first quarter last year, but both could find it tough to maintain profits in the res of the year. Ranks Hovis bas disappointed with first-half figures, showing only a modest improvement despite the major price rise for flour, but there is a mild ancouragement from Coats Patons which bas limited the decline in pre-tax profits to eronnd a tenth, thanks to resilient demand for thread. There is also e complex merger proposed by six Malaysian tin companies which may relata fairly significantly to the political wishes of the Malaysian Government. On the bid front British Sugar is rejecting Berisford and Meples is rejecting Waring and Gillow. There is further news on the T. Cowrie/George Ewer position where the former has taken its stake in the Grey Green coach operator up to 34 per cent. Issue news today takes io a rights issue from Crest Nicholson and the widely anticipated listing by Air Call.

Deritend profits up 41%

PRE-TAX PROFITS of the Deritend Stamping Company rose by 41 per cent from £1.36m to £1.92m in the year to February 29, 1980, on turnover up 14 per cent at £35.12m.

Interest charges rose to £334,000 (£138,000) and there was a tax credit of £71,000 (£22,000 charge). Payment of a final dividend of 9.4p (7.72p) takes the year's total to 12.7p (11.02p). Steted earnings per 50p share are 56.7p (38p).

Demand from the motor industry slackened in tha past few months, but the other activities in the group remained fairly buoyant. The directors are recommending a one-for-two scrip issue.

Camrex loss in second half

FOLLOWING ITS plunge from pre-tax profits of £1.96m to £42,000 in 1978, Camrex (Holdings), the specialised coetings manufacturer and corrosion engineer, recovered to £171,000 last year, despite a second-half loss of £67,000.

There ere encouraging signs in the current year, particularly in demand for marine coatings, say the directors, and they are confident that, overall, 1980 should show an improvement.

The dividend for 1979 is held at 4.02p net with a maintained final of 2.38p.

The surplus includes associates' profits of £79,000 against losses of £31,000, an exceptional debit last time of £131,000 and depreciation of £575,000 (£635,000).

After tax credits of £126,000 (£775,000) there is a net surplus of £297,000 (£817,000). An extraordinary debit this time of £57,000 relates to goodwill written off on the ecquisition of a majority shareholding offset by the gain on sales of shares in associated companies.

● **comment**

Losses on the contracting side of Camrex bave pusbed the year end pre-tax profit below the half-way figure. Goveroment cut-backs, the engineering strike and slack trading all contributed to the poor showing. Tha paint side was in profit and the company says that its marine coating business is improving. But the group has stumbled from problem to problem of late. It may have paid heavy interest charges of close to £1m. There are still no replacements for tha resigned managing and finance directors. Finally, e *net asset value per share* of eround 80p contrasts unhappily with a share price of 35p. Camrex has maintained its dividend for a 17.6 per cent yield but it is uncovered. On stated earnings, the p/e stands at 10.7, but this includes a tax credit.

Heavier losses at Mainline

ALTHOUGH making a pre-tax loss of £252,000 against £114,000, Mainline Electronic, formerly Crellon Holdings, states results for the half-year to October 31, 1979 were in line with expectations. An extraordinary gain of £351,000 including £332,000 on the sale of Crellon Electronics, resulted in a net profit of £99,000 against a loss of £114,000 at the attributable level.

Losses were incurred by the microsystem division of £165,000 (nil), LST electronic components £22,000 (nil), bot Crellon Electronics (sold on July 31, 1979) returned profits of £22,000 (£4,000).

Turnover for the six-month period was reduced from £1.49m to £960,000.

Mr. J. Eiger, the chairman, says that since the end of the first half, the group has achieved a strong recovery in its trading position and results to date are in line with budget estimates.

JFB ahead after interest at £4.7m

THOUGH interest was £4.7m against £2.5m, pre-tax profits of Johnson and Firth Brown, specialist engineer, improved slightly from £4.02m to £4.04m in the half-year to March 31, 1980. The figures include associetes' profits of £25,000 compared with £215,000 in the previous year.

After tax of £1.4m (£1.15m), stated earnings per 25p share are 2.9p (3.2p) basic and 3.3p (3.5p) fully diluted. The intarim dividend is unchanged at 1.3p for the previous 15 montbs the total was 4.972245p from pre-tax profits of £10.2m.

Trading profit was up from £6.27m to £8.71m and the divisional breakdown was: steel £3.53m (£2.66m); rod and wire £2.27m (£2.1m); engineering £1.6m (£962,000); property and investment nil (£594,000); U.S. £1.69m (£293,000). Central administration costs amonnted to £338,000 (£318,000).

Turnover in the first six months was £147.67m, against £106.73m. There was an extraordinary debit of £392,000 (£47,000).

Mr. J. M. Clay, the chairman, says there was some dislocation in the early stages of tha first six months following the engineers' dispute, and this cost the company a further £1m. In an earlier report he said the company had lost ebont £3m in the last financial year as a result of the strike.

For some years, he says, the company has recognised that its copper rod mill was becoming progressively less competitive, and it has been closed. This will release some £3m of working capital.

The company still bas problems with high inflation, high interest rates, an uncompetitive exchange rate, generally poor demand and recurrent national strikes.

At March 31, fixed assets were £71.02m (£72.28m) and net current assets stood at £59.43m (£52.98m).

● **comment**

The U.S. acquisition of Cannon-Muskegon on an exit p/e of three was evidently quite e bargain for JFB. Its first-time contribution helped to maintain profits, and e *satisfied* market—perbeps also fearing a cut dividend on the basis of substantial CCA losses—marked the shares up 3p to 40p. But the company may justifiably feel that accounting for replacement cost conflicts too harshly with *willingness to run down* less profitable operations. Major cash-consuming capital expenditure is complete, and the benefits should start coming in—notably in the steel division, where the GFM forge has been commissioned. For the current year £11m is in sight, indicating e prospective full-taxed p/e of 8.2 on a yield topping 18.4 per cent, assuming a maintained final.

Bank of Ireland setback

LUMP SUM payments to staff following the Republic's entry into the European Monetary System and the break in parity with sterling, cost The Bank of Ireland Irish £6.25m in 1979/80. This left the bank's taxable profit down from £48.68m to £42.2m for the year to March 31.

Midyear there had been an edvance of £2.54m to £23.37m.

With tax taking £10.57m, against £18.73m, stated earnings per £1 share for the 12 *months* were, bowever, higber et 72.4p (71.1p) or 71.7p (70.3p) fully diluted.

The net total dividand is stepped np to 19p (17.5p) by a 11.5n final. Reteined balance emerged at £23.03m, compared with £22.02m.

Increased demand for tax based lending during the year depressed pre-tax profits in the bank and merchant banking subsidiaries.

On an inflation adjusted basis pre-tax profit is shown down from £30.16m to £4.6m.

S. PEARSON

The consideration of £24m to be paid by S. Pearson and Son for the proposed acquisition of Fairey Holdings, from the National Enterprise Board, will be met by £4.3m from a share placing and the balance in cash.

S. Pearson, which is making *the bid through Doulton* and Co., announced that 2.16m Pearson shares hava been conditionally placed subject to the signing and completion of the formal agreement.

SPAIN

May 14	Price %	+ or −
Banco Bilbao	203	
Banco Central	217	
Banco Exterior	208	
Banco Hispano	200	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	237	
Banco Urquijo	140	
Banco Vizcaya	208	
Banco Zaragoza	200	
Dragados	75	−1
Espanola Zinc	60	
Fecsa	59.2	
Gal. Preciados	25	−0.5
Hidrola	65.2	
Iberduero	59.7	+0.5
Petroleos	100.7	−0.3
Petrolibes	59	
Sogefisa	107	
Telefonica	52.7	+1.2
Union Elect.	64.7	

Underwriting boost for Royal in first quarter

BOOSTED by a £8.2m reduction in underwriting losses to £11.7m, pre-tax profits of Royal Insurance Company doubled from £12.8m to £25.5m in the first quarter of 1980.

Investment income improved from £30.7m to £33.6m. Insurance premiums written during the period were down £10.7m to £320.7m.

After tax of £10.8m (£3.4m) and *minorities £0.3m (£0.1m)*, the attributable balance came oot at £14.4m, compared with £9.3m, giving earnings per 25p share of 9.6p (6.2p).

For the whole of 1979, premiums written totalled £1.28bn, and pre-tax profits were £131.5m. The dividend paid was 21.5p per share.

Underwriting loss in the U.S. for the first quarter, was £8m (£7.8m) and Mr. Daniel Mainertzhagen, *chairman*, says tbat there was some improvement in the personal eutomobile business and in the property account, but this was more then offset by a deterioration in the workers' compansation, general liebility and commercial automobilo lines.

There was a profit thie time from the UK underwriting side, against a previous heavy *loss*—the chairman says there was e reduced loss in householders business due to the absence of severe weather, although claims freqnency of non-weather related claims continned to rise, and there was an improvement in both the commercial property end motor eccounts.

Losses in Canada were higber but there was a profit in tha Netberlands, compared with a marginal loss in 1978.

There was increased losses from the Australian side, where *trading* conditions generally remained very difficult.

Other overseas results were *slightly worse, the chairman* states.

The effect of changes in exchange rates was to reduce the profit for the first quarter by £1.3m, the directors say. Allowing for exchange rate movements the underlying growth was about 19 per cent in investment income and 4.5 per cent in premiums written.

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bank of Ireland	11.5	July 4	11	19	17.5
Barr and WAT	4.5	July 4	2.83	6.75	3.5*
Booth (Intnl)	Nil	—	3.18	1.58	4.69
Matthew Brown ...int.	1.25	Aug. 1	1.25	—	5.06
Bulmer and Lumb	2.17	July 1	1.97	3.82	3.47
Camrex (Hldgs.)	2.38	June 20	2.38	4.82	4.02
City of Oxford Inv.	3.72‡	June 23	2.6	5.47	3.85
Coats Patons	2.6	July 1	2.34	4	3.74
T. Cowie ...int.	0.8	July 25	0.8	—	3
Deritend Stamping	9.4	July 10	7.72	12.7	11.02
Jenks and Cattell ...int.	1.5	July 11	1.3	—	4
11 Jersey Gen. In. Tr.	9.5	July 16	8.5	16.5	14.5
Jessups ...int.	1	July 4	1	—	3
Johnson Firth Bwn. int.	1.3	July 29	1.3*	—	4.97f
London Lennox Inv.	1.9	July 11	1.55	2.45	2
J. T. Parrish	Nil	—	4.407	Nil	4.407
Ranks Hovis ...int.	1.52	July 11	1.45	—	3.57
Selincourt	1.12	—	0.86	1.82	1.38
Herman Smith ...int.	0.25	May 27	0.23	—	0.48
Tronoh Mines§	90	June 17	Nil	250	25
UDS Group	3.61	—	3.35	6.21	5.65
Utd. Scientific Hldgs. int.	4	—	3.7	—	7.3
Warnford Investments	5	—	4.37	9	7.84
W. Brom. Spring	1.01	—	0.8	1.3	1.09

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights end/or acquisition issues. ‡ Includes special 0.47p. § Malaysian sen throughout. f 15-month period. Gross throughout.

Slow start for Croda

THE CURRENT year bas started slowly for Croda International with lower sales in certain divisions end some direct loss of business because of the steel strike.

Reporting this Sir Frederick Wood, the chairman says that 1980 is *going to be no easier* than 1979 but the group's scope for expansion end growth in almost all sections at home and abroad remains considerable.

Problem areas have been isolated and vigorous countermeasures are in band to restore them to profitability as soon as possible, be says.

Though gelatin and related products represents only a modest proportion of Croda total turnover difficulties with gelatin in 1979 trimmed an estimated £1m off trading profit.

Group taxeble profit for the year to December 30 last was £14.74m (£15.12m) on £287m (£234m) sales — as reported April 10. The net dividend is lifted to 3.1p (2.446346p).

At year-end short-term borrowings were up £11.76m (down £3.57m).

During the year a director was paid £39,179 compensation for loss of office, and the company contributed a further £35,000 to augment pension benefits.

Mr. Ernest Tyerman, former chief executive, retired last August.

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The growth of Unilever

Sir David Orr reflects on fifty years of progress and achievement at the Annual General Meeting on Wednesday 14th May, 1980.

This year Unilever celebrates its fiftieth birthday. It is a good opportunity to look back at the past and forward to the future, and to highlight the key elements of continuity and change which have dominated our history.

"In 1930 two large companies united to form one of the largest industrial groups in the world."

One of them, Lever Brothers, was a British company, predominantly concerned with soap; the other, the Margarine Union, had been formed by a combination of two great margarine businesses in the Netherlands, Van den Berghs and Jurgens. The founder families and the managers who forged the merger could hardly have predicted the economic disaster of the thirties and the world war which followed, but they had formed a company which had the strength to meet these crises. Unilever owes its existence today to their foresight and courage fifty years ago.

On its fiftieth birthday, Unilever is still one of the largest companies in the world. In a changing and often turbulent environment, no business can grow without the ability to look ahead, without being ready to change, and without a clear perception of the needs and requirements of its customers, of its employees, of its shareholders, of society and of governments.

"Efficient business is a dynamic force which not only responds to change but itself makes a positive contribution to change."

This is the very essence of private enterprise in its role of creating economic wealth. I am convinced that Unilever has made a real contribution to the improvement of the standard of living in many countries.

In 1930 only 20% of Unilever's net profit came from its activities outside Europe; this has now doubled to 40% – mainly through expansion in South America, Africa and Asia. There have been even more dramatic changes in the range of products which Unilever manufactures and sells. In 1930, soap and edible fats together provided 90% of Unilever's profits; today their contribution is no more than 40% of the total. We have developed our business in frozen foods and ice cream, and extended our interests in packaged soup and tea; in these four product fields we are now among the world's leading producers. We have also expanded in toilet preparations and in some of our industrial activities, such as packaging and chemicals.

"Developments in the political and social field have had an enormous impact on our business."

In Western Europe we have seen the birth and growth of the European Community. We in Unilever welcomed the Treaty of Rome and the concept of a common trading group because Western Europe is still Unilever's heartland; and its continuing prosperity is vital for us.

The United States has had a major influence on developments in Europe since the war – and we attach great importance to Unilever's performance there.

In a number of the developing countries rapid income growth has created new opportunities for us. In many cases the developing countries have traditionally been important sources of raw materials, such as oils and fats, to the Western world. With increasing affluence, the demand for such materials for local processing and consumption has grown at a far higher rate than local production – and, therefore, at the expense of exports.

"Three specific post-war developments have had considerable influence on making Unilever the kind of company it is today."

UAC – The United Africa Company – was originally a trading business with a history of more than 150 years. During the years after the second world war it became clear that the winds of political, economic, and social change were beginning to blow strongly in West Africa; and our management realised that the future for the traditional trading activities of UAC was bleak. At the same time they saw that the skill and experience of UAC and their knowledge of West Africa could be applied in new directions. They undertook with determination the huge tasks of re-deploying capital from trading to manufacturing investment and of re-training their people.

Today UAC International, as it is now called, is engaged in such diverse activities as brewing beer, manufacturing textiles, pharmaceutical products, foods, toiletries, timber and truck assembly. All this adds up to a story of imagination, entrepreneurial courage and success that has yielded great benefits to the countries of West Africa and to Unilever.

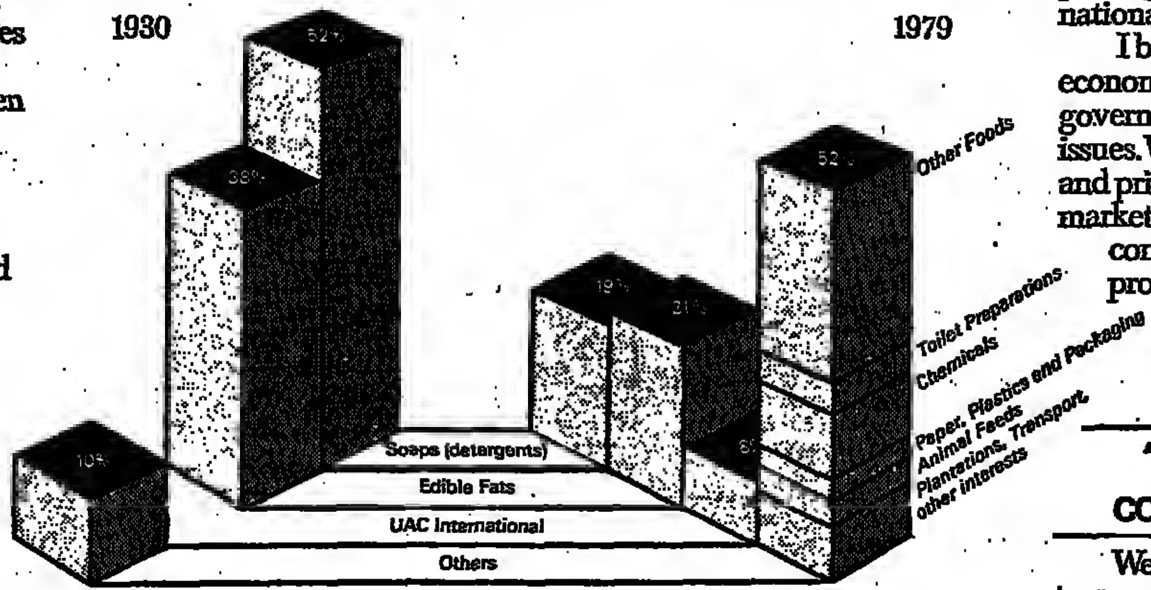
Unilever's most ambitious development into a new product field during its first half century was our entry into frozen foods. Until the war the process of quick freezing food products was virtually unknown outside North America. While Unilever had no experience in this field, we recognised the exciting potential for this form of convenience food; and shortly after the war we began to develop frozen food businesses in a number of European countries.

The project required substantial investment by Unilever in processing plant, cold stores and refrigerated transport – and in human effort. Return on this investment in the early years was very low, while the risks were high. Today Unilever is the world's leading producer of frozen food and ice cream with a sales volume in Europe alone of well over £1,000 million, and with good prospects of continuing progress in sales and profitability.

A business depends upon people. Unilever had great pioneers and today is proud of its reputation as an employer in the countries where it operates. In particular, we believe strongly in the importance of consulting people and involving them in decisions which affect their working environment.

The importance of good management to the business has always been recognised.

We aim to have a management team which is a truly international community of people with a common goal. The common goal is to run an efficient and profitable business; to serve our customers; and to carry out our responsibilities to our shareholders, our own employees and society as a whole.



Strength from diversification – 1930/1979 profit by percentage from product groups.

Products in the United Kingdom owned by Unilever in 1930 and still going strong

Margarines		**Foods**		**Soaps**	
Blue Band	1912	Wall's	1786	Knight's Castile	1919
Echo	1912	John West Salmon	1884	Lifebuoy Domestic	1894
Stork	1901	Skippers	c.1903	Lux Toilet	1928
				Pears	1789
Washing Products		**Household Product**		Sunlight	1884
Lux Flakes	1900	Vim	1904		
Omo	1909				
Persil	1909				
Personal Products					
Atkinsons Gold Medal Eau de Cologne and English Lavender					c.1820
Easy Shaving Stick					c.1920
Erasmic Shaving Stick					c.1919

"We believe that the quest for growth will be as vigorous in the next twenty years as in the past."

There are still many unsatisfied needs in the world, the fulfilment of which ultimately depends on economic growth. Throughout the world people will continue to seek a fuller life and a better standard of living.

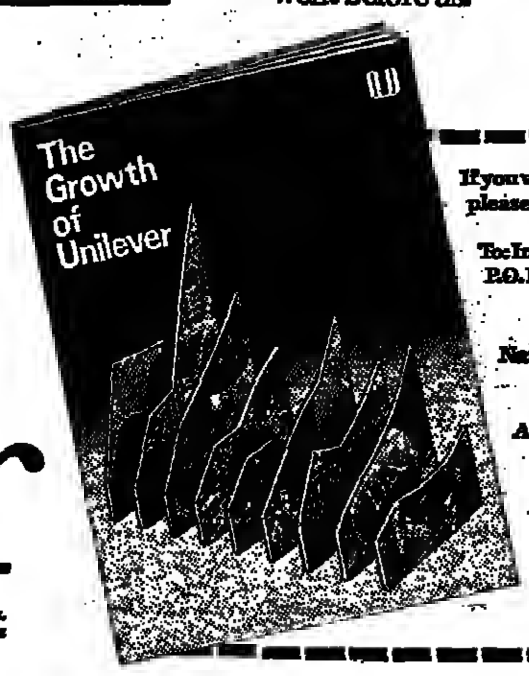
Nevertheless while there is no sign that the desire for growth has abated, the obstacles to it have become more daunting. We have seen dramatic upward leaps in the price of energy, widespread balance of payments problems, high levels of inflation, high rates of interest and tightness of money; and there is a revival in the trend towards more protectionism. All these factors point to a slowing down of the world economy. At the same time we are once again passing through a period of political unrest and upheaval on a national and international scale.

I believe that much can be done to improve the opportunity for economic growth. We need stronger co-operation between governments, industry and trade unions in facing up to the major issues. We need a re-balancing of expenditure between the public and private sectors. We need a greater acceptance of the kind of market conditions in which private industry can make its potential contribution to the economy. This is important because the profitability and financial strength of industry in a number of countries has been seriously weakened; this has taken its toll of industrial investment which is an essential ingredient of economic growth.

"In Unilever we face the future with confidence."

We believe we have the resources and ability to continue to turn opportunity into profitable results. We are confident that we can continue to meet the needs and desires of our consumers by improving the quality of existing products and launching new ones. We will maintain a powerful resource in research to give us the flow of innovation we need; and have the operational strength to translate it into commercial success. We feel confidence in our management, and in the efficiency and flexibility of our organisation. Our employee relations are on the whole excellent and our productivity shows continuous improvement. Our firmly based market position, diversity and geographical spread, are important sources of strength in a changing and uncertain world.

Over the past fifty years Unilever has had to meet many challenges successfully. I hope we will respond to the challenges of the future with the same vision, so that our successors will one day speak of us as I have been proud today to speak of those who went before us.



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50 Years of Anglo-Dutch Enterprise

Unilever

The Annual General Meeting of Unilever N.V. took place in Rotterdam on the same day. Mr. H. F. van den Hoven, Chairman of Unilever N.V., presided and delivered the same speech as Sir David Orr in London. The Company has published a report made to the British Government under the E.E.C. Code of Conduct for companies with interests in South Africa. Copies of the report may be obtained from the address alongside.

UK COMPANY NEWS

Woolworth down by over £4m

INFLATIONARY RISES in wage costs and operational expenses are reflected in a sharp decline to first-quarter profits of F. W. Woolworth and Co., the general retail group.

In March, when they reported pre-tax profits for 1979-80 up from £53.1m to £57.25m, the directors warned that the first six months of the current year were unlikely to show any improvement over the corresponding period and any gains would probably occur in the second half.

They now say that, despite a greater proportion of high-margin items in the merchandise mix, trading profits for the three months to April 30, 1980, diminished by some £3m, and the surplus at the pre-tax level slumped from £7.51m to £2.86m.

The pre-tax profit is struck after depreciation of £2.86m (£2.45m), and interest of £2.62m (£1.57m), and includes rental income of £0.37m (£0.35m).

Earnings per 25p share are shown down from 1.19p to 0.45p after tax of £1.15m (£3m) and, after exchange losses of £0.3m (£0.21m), the attributable surplus emerges at £1.42m (£4.29m).

● comment

Quarterly results can display enormous fluctuations, and Woolworth is particularly unlucky in these figures since they compare with a period in 1979 in which trading profits had advanced more than 40 per cent. Nevertheless, volume is down about 5 per cent in real terms and, even though this is the least important quarter of the year, the company is left with considerable catching up to do ahead of a lean period. The shares slid 5p on the news on Tuesday and are now standing on a prospective yield of 13½ per cent.

BTR makes progress in current year

Sales and orders of the BTR plastic mouldings and rubber belting group are currently above last year's levels, with pre-tax profits some 30 per cent ahead, Sir David Nicholson, the chairman, told the annual meeting.

Last year, the pre-tax figure rose by 43 per cent to £57m on sales 23 per cent higher at £433m. Asked whether the company intended to return with another bid for Bestobel, the fluid engineering and insulation company, Mr. Owen Green, the managing director, said: "We are keeping our options open."

BTR still has around a quarter of the Bestobell shares after its abortive takeover attempt last year.

Barr & Wallace setback

AFTER much higher interest of £1.05m against £459,902, pre-tax profits of Barr and Wallace Arnold Trust came out lower at £1.9m for 1979, compared with £2.45m. Turnover expanded by some £18m to £77.3m.

The dividend, however, is boosted from an adjusted 3.5p to 6.75p net per 25p share with a final of 4.5p.

At halfway directors reported profits of £1.3m against £1.23m and said that the full year's surplus would be similar to that of 1978.

Tax for the year took £412,796 (£839,142) after which earnings are shown as 25p (27.2p) per share.

A divisional analysis of turnover and pre-tax profits shows: leisure and holidays £27.57m (£23.73m) and £1.27m (£1.31m); motor distribution £47.23m (£33.52m) and £660,746 (£959,843); computer bureaux £2.51m (£2.11m) and £402,575 (£335,218). Parent company expenses and interest took £427,316 (£154,200).

CU profits move ahead to £26.3m in first quarter

INCLUDING A reduced underwriting loss of £13.5m against £14.8m, pre-tax profits of Commercial Union Assurance improved by £2.9m to £26.3m for the first quarter of 1980.

Premium income rose slightly from £344.9m to £349.6m, but life profits were down £0.7m at £3.7m.

In April, the directors said that figures for the three months looked like being a little better than in 1979, when bad weather conditions had affected the results.

After first quarter 1980 tax and minorities of £8.3m (£8.2m) the attributable balance came through at £18m (£15.2m) giving earnings of 4.39p (3.7p) per 25p share.

The underwriting loss was split as to: UK £1m (£3.5m); U.S. £6.8m (£7.4m); Australia £1m (£1.5m); Canada £2.1m (£0.3m); Netherlands £2.1m (£3.1m), and the rest £0.5m (£1m profit).

World-wide premium income in sterling terms increased by 1 per cent, but after allowing for the effect of changes in rates of exchange, the sale of a majority of shares in former subsidiaries, and other factors, the underlying growth in premium income was some 11 per cent, directors state.

In the UK, the mild winter was a significant contributory factor towards the improved underwriting result. Premium growth was maintained at a level in excess of the rate of inflation.

The U.S. also benefited from better weather conditions which, together with improved property and liability claims experience, produced a statutory operating ratio of 103.7 per cent (105.6 per cent).

The claims ratio to earned premiums was 72.5 per cent (76.1 per cent), and the expense ratio to written premiums 31.2 per cent (29.5 per cent). Nevertheless, trading conditions in the insurance market in the U.S. continued to deteriorate, they say.

In Australia, premium growth was satisfactory despite competition and there was a small improvement in the underwriting result. Arrangements have now been finalised with the National Mutual Life Association of Australasia for the integration of the group's general business interests in Australia and New Zealand, and for the transfer to them of the life business.

These arrangements are expected to become fully operational during the third quarter of this year, directors state.

Market conditions continued to be difficult in Canada, and intense competition for business has prevented growth being achieved. This, together with adverse claims experience, has produced a marked increase in the underwriting loss.

In the Netherlands the underwriting result improved largely due to less severe winter conditions this year.

At March 31, shareholders' funds were down by £22m to £676m.

For the whole of 1979 premium income totalled £1.15bn, pre-tax profits were £137.6m, and the attributable balance came out at £91.8m. The dividend paid was 9.8p, net per share.

	First quarter 1980 £m	1979 £m
Premium income	349.6	344.9
Investment income	38.1	37.4
Loan interest	2.4	3.5
Life profits	3.7	4.4
Underwriting loss	13.5	14.8
Associates' share	0.4	—
Pre-tax profit	26.3	23.4
Tax and minorities	8.3	8.2
Attributable	18.0	15.2

Lex, Back Page

Difficult trading results in £1.2m fall at Bulmer & Lumb

AS ENVISAGED at the interim stage, results of Bulmer and Lumb (Holdings), worsted spinner, in the second half of the year to March 30, 1980 were affected by the continuation of lower volume and reduced profit margins due to difficult trading conditions. For the 12 months pre-tax profits fell sharply from £2.24m to £1.01m, after a decline from £876,000 to £663,000 at halfway.

The directors report that the jersey knitting division, Suprima Textiles, is to be closed, having encountered difficulties for some time and incurring trading losses of £157,000 last year. The difficulties were caused by an excess productive capacity in this sector of industry and the directors consider the prospect of an adequate return on capital being earned in the future is unlikely.

As a result of greater use of bank facilities for re-equipment, there was interest payable of £9,672 for the year, compared with interest receivable of £53,793 for the corresponding 12 months. The new plant will ensure the highest priority is given to quality standards, colour technology and maintenance of customer service, in areas of operation where a profitable future is foreseen, the directors state.

Turnover for the year rose from £25.83m to £26.35m and profit was struck after depreciation of £515,172 (£355,988). Tax took £430,000 (£1.17m), earnings per 20p share amounted to 6.73p (12.47p) and the final dividend is 2.17p net for a 3.81711p (3.47067p) total.

YEARLINGS

The interest rate on this week's issues of local authority yearling bonds is 15¼ per cent, up ¼ from last week breaking a five-week declining trend in rates.

£80,000 loss for Booth Intl.

A TURNROUND of £892,000 to a loss at £455,000 in the second half at Booth (International Holdings) has left this hide and skin merchant and tanner with a pre-tax loss of £80,000 for 1979, compared with profits of £638,000.

And the final dividend has been omitted, leaving the total at 1.575p net per 25p share against 4.69p.

Turnover for the year was £40.1m (£32.4m).

Along with the general economic conditions and high interest, there was a steep rise and subsequent fall in rawstock prices, which made it a difficult year, the directors say.

The current year has started poorly, with the further fall in rawstock markets, and results for the first half are not expected to show any improvement on the second half loss of 1979.

But there should be an improving trend in the company's position, the directors state. The lower rawstock prices should over the next months improve the competitive position of leather and ease the pressure on profit margins.

And the closure of one of the group's two Nottingham tanneries is progressing; the transfer of plant to the other tannery will be completed shortly.

The continuing fall in rawstock prices has made provisions of some £350,000 necessary against year-end stock holdings.

The loss for 1979 included associates' profits of £82,000 (£39,000) and provisions no longer required, last time, of £88,000, but was before a tax credit of £114,000 (£217,000 charge).

There was, however, an extraordinary debit of £434,000 (nil), representing the closure cost of the tannery, leaving an attributable loss of £400,000 (£421,000 profit).

Earnings per share are given as 0.84p compared with 10.51p.

● comment

Interim hopes that Booth would see a profitable second-half have been shattered by a £350,000 provision against rawstock. Hide prices have collapsed to a quarter of 1979 highs, and with the tanning process taking six months to complete, the value of the stocks and work in progress fell dramatically. In the 1978 balance sheet, £3.9m of shareholders' funds supported £3.2m of bank borrowing. Around half the borrowings are needed to finance merchanted hides in transit. As far as the company can persuade the customer to bear the financing charge, the true rate of interest is discounted. But nonetheless the contraction in shareholders' funds can be ill-afforded. The current year outlook is dull with the only bright spot an unquantified degree of loss elimination with the merging of the Nottingham tanneries. Net worth is around a pound a share against the share price of 33p down 7p.

Selincourt falls to £0.9m in second half

WITH SECOND-HALF pre-tax profits falling from £2.86m to £902,000, Selincourt, textile and clothing group, reports figures for the year to January 31, 1980, drastically reduced at £2.06m against £4.56m.

The board says the results reflect the depressed state of normal trading, which progressively worsened during the year, and de-stocking at low margins to provide as clean a start as practicable to the current year.

In addition, interest charges were up £821,000 to £2.21m.

After tax down from £943,000 to £412,000, and an extraordinary debit of £89,000 (nil), attributable profit was £1.54m (£3.61m) and stated earnings per 5p share are reduced from 6.95p to 3.14p. The final dividend is raised from 0.86p to 1.12p, making the net total 1.82p (1.38p).

The board says there are indications of an improving situation in trading conditions in the current year and there is every confidence that the group is well placed to take advantage of these conditions.

● comment

Selincourt had a disastrous second half, largely because of a retail slump which caused it to unload stocks at very low margins. The figures are even worse because of a skyrocketing interest charge. With borrowings at £14m, the 76 per cent gearing is definitely on the high side. The 16 per cent yield is on a total net dividend one-third higher and the p/e on published earnings comes to 5.2.

Improvement at Murray Clydesdale

Pre-tax revenue of the Murray Clydesdale Investment Trust (formerly Clydesdale Investment Company) improved by £210,000 to £1.26m in the six months to March 31, 1980.

The interim dividend, as announced, is 0.5p net, compared with an equivalent 0.46p—last year an effective total of 1.43p was paid from taxable revenue of £2.16m.

Net assets are down from £63.64m to £55.55m, or 60p (69.1p) per share.

Six months' tax takes £460,141 (£441,577), and earnings are up from 1.4p to 1.65p.

Utd. Biscuits sees similar first half

First-half 1980 pre-tax profits of United Biscuits (Holdings) were expected to be similar to last year's corresponding figure of £16.13m, said Sir Hector Laing, the chairman, at the annual meeting. This was particularly disappointing as results for the first six months of 1979 were affected by the road haulage strike, he added.

Over the full year, however, Sir Hector believed the company had a good chance of improving on 1979 results, although this might not be as much as the board would have liked. Taxable profits for 1979 were £43.7m.

Anglo-Scottish investment

PRE-TAX PROFITS of Anglo-Scottish Investment Trust rose to £816,207 in the half year to March 31, 1980, compared with £496,484, on gross revenue of £1.07m (£778,903). Tax charged was £271,043 (£173,074).

Total funds for the period, after a 1979 adjustment for repayment of a U.S.$3.5m multi-currency loan, were £24.31m (£25.82m at September 30, 1979).

A special net interim dividend of 0.4p and an interim of 0.9p (0.8p) have already been announced—the directors intend to recommend a final at least maintained at 1.3p.

UK COMPANY NEWS

Coats Patons £7.68m year-end downturn

A SECOND half drop from £38.37m to £32.49m has left the taxable surplus of Coats Patons down, as expected, for 1979.

On turnover little changed at £681.6m against £678.8m, profits finished the year at £63.53m pre-tax, compared with £71.21m.

The directors of this industrial yarns, fabrics group, anticipate an improvement in overall trading profits for the current year, and despite an increase in interest, and excluding significant exchange movements, profits for 1980 should exceed those of last year.

Stated year-end earnings per 25p share are behind at 12.2p (14.5p); but the dividend is stepped up to 4p (3.7423p) net with a final payment of 2.6p.

Turnover increase was entirely due to volume, the directors state; price increases of £94m—14 per cent—were cancelled by adverse exchange movements of virtually the same amount. Exports totalled £63.4m (£62.7m).

Profits improved in Europe, North America and Australia, while the UK contribution was down because of adverse trading conditions which affected the entire industry.

Overall trading margins fell one per cent to 9.7 per cent.

Profits for the period included surplus on fixed assets realised of £3.35m (£3.06m), investment income £2.72m (£2.22m), and associates' share of £2.74m (£1.76m), but were struck after a deficit on investments sold of £37,000 (£121,000 surplus), depreciation £13.45m (£12.05m), interest £10.92m (£8.53m), and goodwill written off amounting to £382,000 (£95,000).

Tax took £25.25m against £26.36m leaving the net profit at £38.28m (£44.86m) and after minorities of £4.96m (same), and an extraordinary debit of £1.97m (£1.8m), the balance came through at £31.36m (£38.1m).

Mr. William Henry, chairman, estimated that the decreased spending power of tourists—due to strong sterling—had wiped £0.5m from profits.

The Jaeger side was particularly hard hit, with profits falling some £2.75m to £1m; but the country casuals side showed an improvement.

Capital expenditure of about £30m (£27m) is planned for the current year, with some £24m going to the coats side of the business, although no major projects or acquisitions are planned, Mr. Henry says.

Cash flow was £51.2m against £56.7m. Replacement of fixed assets took £8.6m (£6.1m) and inflation in working capital £27.4m (£15.9m) leaving £15.2m (£34.7m) as the true surplus generated from operations, the directors say.

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Matt. Brown sees token increase

DIRECTORS OF Matthew Brown, the brewery group, say in their interim statement that it would be unrealistic to hope for more than a token increase in full-year profits over last year's pre-tax figure of £4.07m, although there are signs of improving beer sales.

Taxable profits for the half-year to March 31, 1980, rose to £1.59m compared with £1.54m previously. Turnover increased to £11.81m from £10.75m. Tax took £636,000 (£540,000).

The interim dividend is unchanged at 1.25p—last year's total was 5.08p.

VAT rise takes toll on UDS

ALL THREE UK divisions of UDS Group were hit by last year's VAT increase. This gave rise to an additional charge of around £13m, a significant part of which could not be recovered, and meant that pre-tax profits for the year ended February 2, 1980, fell from a record £27.82m to £24.12m, on turnover of £445.02m against £385.59m. First-half profits had moved up from £9.1m to £10m.

A divisional breakdown of sales and profits (with £000s omitted) shows: Multiple shops £156,139 (£132,029) and £10,985 (£12,398); department stores £116,395 (£99,961) and £7,755 (£9,418); home shopping £113,746 (£101,720) and £3,512 (£5,283) and exports and overseas sales £58,744 (£51,880). Property and investment profits were £5.1m (£3.91m).

The disruption arising from building works at Cardiff, Sutton and Bromley had an adverse effect on department store results, but will provide a strong foundation for the future.

Additional provisions for deferred profits and debt contingencies amounted to over £1m.

In export and overseas business, the duty-free activities had to contend with a strong pound and weak U.S. dollar but produced record results.

As forecast at the time of the rights issue a year ago, the net dividend total on increased capital is being raised from 5.645p to 6.21p per share, with a final payment of 3.61p. Stated yearly earnings per 25p share dropped from 13.2p to 10.4p.

The pre-tax result was struck after depreciation and amortisation of £5.63m (£4.58m) and net interest of £7.08m (£7.13m), but included a share of associates' profits of £1.19m (£1.39m). Tax charge was down from £7.12m to £5.57m.

Extraordinary credits, which increased from £9.42m to £17.47m, comprised a surplus of £19.45m (£15.06m) over book value on disposal of property and investment, less closure costs and other items of £1.98m (£5.64m).

● comment

The downturn in ladies' fashions has hit UDS in three areas: in the multiple shops, where Richard Shops recorded its first setback for years; in mail order, which has barely managed to break even; and in the department stores. In spite of the rights issue, the interest charge was barely changed at £7.1m, although the large sale and leaseback deal towards the end of the year — representing the bulk of the £17.5m extraordinary credit — has allowed the company to pull the net overdraft down from a peak of £54m to less than £5m. While interest charges should prove under control, the group is unlikely in the current year to break with its past inability to hold up under adverse conditions; so pre-tax profits are likely to be little improved. The yield is a supportive 13 per cent or so.

Warnford advances to £2.14m

PRE-TAX profits of Warnford Investments, the property investment group which owns offices and shops in London and the provinces, rose from £1.8m to £2.14m in the year to December 25, 1979. Turnover increased to £2.83m against £2.54m).

Net profits, after tax of £1.09m (£0.87m) were £1.06m (£1.01m) and there was an extraordinary debit of £750,324 (nil).

The net total dividend is increased from 7.64p to 9p, with a final of 5p. Earnings per share are shown as 11.01p (10.47p).

Utd. Scientific advances to £2.5m halfway—100% scrip

IN THE half-year to March 31, 1980, pre-tax profits of United Scientific Holdings, supplier of optical, scientific and electronic equipment, improved from £1.82m to £2.55m and include a full contribution from Ni-Tec-Inc, acquired last July.

After tax up from £800,000 to £1.12m, and minorities, the attributable profits is £1.36m (£976,016); and the interim dividend is raised from 3.3p to 4p—last year's total was 7.3p from pre-tax profits of £4.05m.

The board proposes a one-for-one scrip issue and expects to recommend a final dividend of 3p (4p) on the increased capital.

The group's forward order book is in excess of £31m, and the level of potential business under negotiation remains high. A new wing to the Avimo optical factory at Taunton is being built and the company will then have available the most up-to-date facilities for this essential investment in the company's future.

Group turnover for the first six months climbed from £11.51m to £17.71m.

● comment

The £5m December profits forecast looks well within United Scientific's grasp, with an overshoot of perhaps £500,000 in sight. The order book has eased by £7m over the first half, but still represents around nine months' work. The yield is a characteristically small 3 per cent at 508p, up 11p, with the announcement of new laser-related products for June, plus the Avimo extension, indicating that the company has not relaxed its policy of heavy profits re-investment. The prospective p/e is a heady 19, as investors continue to see in USH one of the market's purest defence stocks.

J. T. PARRISH IN LOSS

A pre-tax loss of £46,997 against a profit of £199,450 is reported by J. T. Parrish, the Newcastle department store and property development company. Turnover was down from £3.86m to £3.83m.

After a tax credit of £30,762 (charge £100,733) the net loss was £16,235 (profit £98,717).

The dividend has been omitted—last year's payment was 4.407p—and the loss per 25p share is given as 2.25p (earnings 13.71p).

Redundancies in W. Canning Engineering

The continuing effects of the engineering strike on W. Canning and its customers had made further redundancies necessary, Mr. A. R. Houseman, chairman, told the annual meeting.

The redundancies were in W. Canning Engineering, which had incurred substantial losses in 1979. Hopefully, the re-organisation had put it on a viable basis, and would enable it to operate at the lower level of activity which seemed inevitable for all UK companies engaged in capital goods manufacture, he added.

The group's other engineering subsidiaries were trading well, but the rate of order intake was showing some decline. Prospects for the group's other companies were reasonably good.

The Plymouth factory has been sold for £383,500 which, after expenses, represented some £40,000 over the book value.

Dorada finds the going 'unusually rough'

Mr. Thomas Kenny, chairman of Dorada Holdings, vehicle distributor and engineering group, told the annual meeting that "the going is unusually rough." He said the first quarter profits from the motor division were well down compared with last year, and there was a surplus of new vehicles for sale throughout the country.

It would not be surprising, he said, if some manufacturers were to go on a four-day week or even less.

The profits of the engineering division for the first quarter were close to the group's budgets, but he said there was a recession in the machine tool industry and it would be difficult to maintain the rate of profitability so far achieved.

The total group profits for the six months to June will be disappointing. He concluded by saying: "I will be glad to see the end of 1980 because the future is full of promise and sound prospects for Dorada."

As known, pre-tax profits for 1979 were £1.92m (£1.61m).

First-half rise for Herman Smith

DESPITE THE adverse effects of the engineering strike and other industrial disputes, pre-tax profits of Herman Smith, manufacturing and electrical engineer, jumped fro £24,774 to £97,447 in the 28 weeks ended January 12, 1980.

The current forward order position and levels of output compare favourably with those of 12 months ago, say the directors, and profits for the full year should show an improvement on the £259,545 for 1978-79.

To support this level of activity they feel it is necessary to conserve cash resources, and the interim dividend is virtually unchanged at 0.25p net (0.23p)—last year's final was 0.23p.

Sales improved from £3m to £3.72m, including internal sales of £150,322 (£141,576) and six months' tax takes £50,672 (£12,882). Preference and ordinary dividends absorb £16,305 (£11,564).

BIDS AND DEALS

British Sugar rejects Berisford offer

BY JOHN MOORE

British Sugar Corporation's directors have unanimously rejected a £121.4m takeover bid by S. and W. Berisford, the international food merchanting and commodity trading group.

British Sugar said in a statement, outlining its reasons for the rejection of the offer, that it was a successful, efficient and well-managed company responsible for the processing of all sugar beet produced in the UK.

"Berisford, as an international merchanting and commodity trading group, has no experience of the management of a large scale, capital intensive enterprise such as ritish Sugar. The commodity trading in cocoa, coffee, tea, nuts, oilseed and sugar; the commitment of British Sugar is to the long-term development of the efficient manufacture and marketing of UK sugar, with all that implies in the future for British agriculture and the consumer."

British Sugar sai dthat a combination with eBriaford would create an unhealthy situation which British Sugar would actively oppose and would expect to see referred to the Monopolies and Mergers Commission.

It added that, there was no commercial logic in the two companies coming together and no relevant commercial expertise which Berisford could bring to the British Sugar operations.

The British Sugar board pointed out that over the five years to September 30, 1979 its group's earnings have been in excess of Berisford's. Despite this, it added, the proposed share and cash offer of Berisford, "gives British Sugar shareholders a mere 31 per cent of the combined companies. The proposed bid makes no sense for custo bid makes no sense for customers, employees, farmers or shareholders."

On its trading performance British Sugar said that in the past five years it had increased its share of the UK market from about 26 per cent to about 50 per cent and its pre-tax profits from £7m to £32m.

Earlier this week the National Union of Agricultural and Allied Workers unanimously passed an emergency resolution saying that it was disturbed at the news and demanded that in the interests of workers and customers alike, the Government, which holds a 24.2 per cent stake, "refuses to sell off its share in this partly-nationalised British industry."

Belhaven selling hotel

ONE OF Belhaven Breweries' major problem areas, the Coral Island Hotel in Bermuda, is about to be sold for around £2m (£880,000) to a private company jointly owned by U.S. and British interests. Its book value is $2.5m.

After making a heavy loss in 1978, last year's trading deficit at the hotel was only around $5,000, said Mr. Eric Morley, the former head of Mecca who is now Belhaven's joint chairman and chief executive.

However a further $160,000 had to be paid out on the rebuilding of a sea wall, he said. The 86-bedroom hotel is fully occupied after re-opening in March. "It is now just paying its way."

The sale has still to be approved by the local tourist authority.

Mr. Morley declined to identify the purchasing company, run from America, but said it was not a major group. As for Belhaven itself, "it should not show a loss this year."

He also said that Ashpoint, the plastic packing subsidiary bought from former chairman Mr. Roy Ling and his associates, was exceeding its stated profit target, pt et £425,000 before tax for the year to September 30.

The resignation from the Board of Mr. Peter Rowland, also chairman for a brief period last year, was in line with the new management's policy of weighting the Board more towards executive directors. Mr. Rowland said his departure—announced on Tuesday—to concentrate on other business commitments.

Assam Trading gets go-ahead

At the reconvened EGM of Assam Trading (Holdings) on Tuesday, the much criticised resolution to inject two property companies into ATH was passed by a narrow majority.

The vote—71,697 for the resolution and 60,951 against—followed an argument over the eligibility of certain proxy votes which resulted in both the ATH Board and Russell Wood and Co. (Stockbrokers), which claimed 41 per cent of the voting rights on behalf of minority holders, forfeiting a number of proxy votes.

Russell Wood, which led the opposition to the deal, said that it had the support of most of the UK minority holders and the institutions. The vote was swung by shareholders in India and by the votes of Mrs. Legard, who has an 8.7 per cent interest in ATH.

Mrs. Legard, although closely related to both Mr. John Guthrie and Mr. John Malcolm Guthrie, was able under Stock Exchange rules to cast her votes.

Men and Matters, Page 24

Fraser sells Lonrho shares to Rowland

TRUSTEES of the Fraser Trusts, have sold 2,826,470 shares in Lonrho, the international trading conglomerate, to a company controlled by Mr. Tiny Rowland, Lonrho's chief executive, in a deal worth £2.3m.

Together with the 32.73m shares in which Mr. Rowland is already interested, including the voting rights which he controls over the 5m shares held by Mr. Daniel K. Ludwig, one of the world's richest men, Mr. Rowland now holds 35.55m shares (16.4 per cent).

Mr. Rowland bought the latest 1.3 per cent stake this week after Sir Hugh Fraser, chairman of House of Fraser, the department store group which owns Harrods, decided to sell his family trust shares and his own personal holding in Lonrho.

"We have sold the lot," Sir Hugh said. He indicated yesterday that he had sold the holdings partly over the dispute with Lonrho, which is trying to force the House of Fraser final dividend up by 50 per cent to 6p. He added that "we also do not like the outlook in Africa. We feel Lonrho is very heavily invested there ande one does not know what is reund the corner."

Asked what action he would take if he lost the dividend argument he said, "we have not considered losing it."

He said that he would not ask Mr. Rowland to resign from his Board if Lonrho loses. "I hope this will be a reasonably friendly hettle."

Lonrho has appointed Mr. Hugh Fraser, MP, to the SUITS Board this week as deputy chairman. Mr. Rowland is chairman.

Lonrho said yesterday that it hoped that its second circular countering House of Fraser's opposition to its proposal to increase the final dividend will be dispatched to shareholders by the end of this week.

Cowie has nearly 34% of Ewer

T. Cowie has purchased an option to buy 700,000 shares at 46½p per share in George Ewer, exercisable on or before July 24. Taking into account its existing 5.3m shares in the coach-hire and vehicle distribution group and the option to acquire a further 1,000 shares, Cowie now controls just under 34 per cent of the equity.

Cowie has already announced its intention to bid for Ewer, but is waiting until the position relating to Ewer's proposed acquisition of Eastern Tractors (Holdings) is clarified.

In the meantime, Cowie announced on Wednesday that interim profits to March 31, had fallen by £104,000 to £652,000 pre-tax and with the better supply of new cars, competition has, "put a strain on margins." The maintained 0.8p per share is covered 4.8 times.

However, chairman Tom Cowie pointed out that the sale of Red Dragon Securities in January for £2.2m and the disposal of the 50 per cent stake in the reminder of the finance division have cut debt by £16m.

STANDARD BRANDS' REQUEST TO SEC

Standard Brands, the U.S. food group which is competing with Grand Metropolitan to acquire another U.S. tobacco and drinks group, Liggett, has withdrawn its request to the Securities and Exchange Commission for an early end to its tender offer. Offers of Liggett shares to Standard may be withdrawn until midnight on June 2.

Asprey chairman claims victory as Dunhill bid is lapsed

THE bitter srtuggle between braoches of the Asprey family for control of the Bond Street jewellers has ended with success for the existing board. In a pre-emptive bid, announced yesterday Mr. John Asprey, the chairman, has bought out for £35 a share the crucial family trusts holding 16 per cent of the company, and now claims control of 63 per cent overall.

The remaining 37 per cent was recently acquired by a subsidiary of Alfred Dunhill which last month announced a joint bid with Dubai businessman Sheikh Al-Tajir. Dunhill's offer, pitched at £28.50 a share, has now lapsed.

Under Takeover Code rules the extra share purchases by the board have triggered off an automatic offer for the remainder at the same price.

Unusually, the offer is being made by Morgan Grenfell, the board's advisors. The bank has already approached Dunhill which is likely to signal acceptance within a matter of days.

At that point Morgan will hold 37 per cent of Asprey at a cost to itself of £5.18m. The next stage of the operation involves the placing of the majority of Morgan Grenfell's shares and 50,400 of the shares now owned by the board, reducing its stake to 50.4 per cent.

The placing will be handled by stockbrokers de Zoete and Bevan which admitted during court hearings over the trust shares that the price is too high for institutional shareholders to be interested. De Zoete's will, therefore, be looking for private individuals prepared to take up a minority position in an unquoted family controlled company.

Mr. Rex Cooper, the de Zoete partner arranging the placing, said yesterday that "normal investment criteria" do not apply in this case. The company has announced a total dividend for the year of £1.75 which represents a gross yield of 7.1 per cent.

FURTHER SHARE PURCHASE BY CLIFFORD'S

A further 23,350 voting shares in Clifford's Dairies, which is trying to frustrate an increased £13.7m bid from Unigate, were bought on Tuesday by the Clifford family, who are the company's dominant shareholders.

As with the 1,000 voting shares bought on Monday, the purchases were made by a trust run for the children of Mr. John Clifford, the managing director. He also sold 100,000 non-voting "A" units on Monday.

The latest share purchases were carried out at an average price of just over 200p, the level at which Unigate has pitched the cash element of its offer for the voting stock. It is offering 105p cash for the "A" shares.

In Tuesday's paper the value of the new bid appeared wrongly as £17.7m.

STANHOPE GENERAL BID HOPES FADE

Bid talks involving Stanhope General Investment have again foundered and the company said yesterday that talks with a potential purchaser of its shares had ended.

Stanhope said in February that it had received an approach which could result in an offer and advised shareholders not to sell their shares until they heard from the chairman.

The same thing happened two years ago when the investment holding company said an approach had been made, only to announce in April 1978 that the discussions had been called off.

REXMORE SELLS 67% OF FERRAR

Rexmore has sold 67 per cent of the issued share capital of M. Ferrar and Sons (Glasgow) to R. M. Truscott for 480,000. Ferrar manufactures flock and felt for the upholstery, bedding and plumbing trades.

Maples says improved £9.9m bid is too low

BY JOHN MOORE

Maple and Co. (Holdings), the furniture retailer, has urged its shareholders to reject an improved bid, worth £9.85m, from Waring and Gillow (Holdings), one of Maple's competitors.

In a letter to shareholders Maple's chairman, Mr. David Keys, says that:

- The offers are too low and place an unacceptable value on shareholders' holdings.
- The terms take inadequate account of Maple's profits growth.
- The benefits arising from Maple's reorganisation and expansion should belong to Maple's shareholders.
- The offers neither reflect the value of acquiring an established chain of 44 furniture stores nor Waring and Gillow's need to acquire Maple to facilitate the closure of its Regent Street store.
- An independent Maple will benefit from Waring and Gillow's closure of its Regent Street store.

Mr. Keys explains in the text of his letter that "your directors believe (and Waring and Gillow have not denied) that Waring and Gillow will close their Regent Street store. If their offers fail, the disruption to Waring and Gillow's trading following the closure of their Regent Street store is bound to benefit Maples greatly, whether they eventually relocate in central London or not."

Mr. Keys tells shareholders that a valuation by Healey and Baker of the group's main freehold and leasehold properties included no amount in respect of the fixtures and fittings in Maple's stores, which the directors estimate at some £1.9m on a depreciated replacement cost basis. When added to the £8.4m open market value the group's main properties, the total becomes £10.3m, a surplus over book value as at February 2, 1980, of some £4.8m, which would make net tangible assets around £11.5m or about 41p per share.

The Board has estimated that it would cost Waring and Gillow some £11.5m just to fit out space equivalent to that of Maples in the UK apart from the cost of sites and buildings, he reminds shareholders.

Waring and Gillow said yesterday that the Maple directors had placed a notional value substantially in excess of costs on fixtures and fittings. Mr. John Cussins, Waring and Gillow's managing director said "that since it is not intended these assets should be realised they can only be worth what the company can earn in profits."

Moreover, Maples had "again failed to produce any indication of current trading which is vital in determining the value of Maples shares without the bid from Waring and Gillow."

The group added that the Maples Board had failed to inform shareholders that "the so-called 'unnamed rival bidder' failed to materialise" which implies "that our bid places a full and fair valuation on the Maple shares." Acceptances to the offer should be received by May 21.

Fielding Newson-Smith, brokers to Waring and Gillow, purchased on the group's behalf 500,000 ordinary shares in Maple and Company at 34½pxd on Tuesday. With acceptances and what shares Waring and Gillow has purchased in the market the group holds about 17½ per cent of Maples.

Hamilborne in $3.5m energy switch

In a $3.5m (£1.5m) deal for the acquisition of oil, gas and uranium interests in the U.S., Hamilborne is to be transformed into an energy company and will cease to be a subsidiary of Birmingham and Midland Counties Trust (BMCT), Mr. Graham Ferguson Lacey's private investment company.

This represents a further move into energy for Mr. Ferguson Lacey. It follows increase to 29.9 per cent in the stake in Hampton Gold Mining Areas in March by National Carbonising, a public company in which BMCT has a large stake and of which he is chairman.

Hamilborne, which is to change its name to Energy Capital, is to acquire the energy interests from Mr. Paul Temple and Mr. Alex Allan in exchange for 3.85m Hamilborne shares and $420,000 cash.

On completion of the acquisition 1.05m of the shares issued to Mr. Temple will be placed. To enable BMCT to retain a significant holding in the enlarged comany, Mr. Temple is to transfer to BMCT 300,000 ordinary shares, being the balance of those issued to him for his interests.

The net effect of these arrangements is that Mr. Temple and Mr. Allan through their joint company, Allan Capital Corporation, will own some 2.5m shares (36 per cent) and BMCT 1.95m (28 per cent).

The Takeover Panel has indicated that, subject to shareholders' approval of the arrangements, it will waive any obligation to make a general offer.

The oil and gas interests are in 24 producing wells in Texas, Oklahoma and Ohio. Exploration interests comprise 56 non-producing properties with oil and gas potential in Texas, Oklahoma, Montana and Wyoming.

For 1979 proceeds from sales of oil and gas in respect of the interests being acquired amounted to some $224,500 and net receipts were $167,000.

Excluding the results of the brick company, Hammill Brick Eastry, profits of Hamilborne totalled £26,900 in 1979 (£27,961) and the dividend is maintained at 0.935p, with a final of 0.435p.

On completion of the energy deal the brick company is to be sold to Mr. R. C. A. Walker, its present chairman, for £115,000 cash. Prior to completion Hammill will pay a dividend to Hamilborne of £25,000. For 1979 Hammill made a loss of £18,000 and net tangible assets at December 31 are expected to amount to £207,000.

Mr. Temple will become chief executive of Hamilborne and Mr. Allan will also join the board. Mr. G. J. Ward, a present director, will replace Mr. Ferguson Lacey as chairman.

In the textile field Rivington Reed, which came under the control of Mr. Lacey two years ago, has had its shares suspended pending an announcement.

Dr. John Backburn, chief executive, left the company in December, when the company unveiled losses of £516,000 for the six months to September 29, 1979 (profits £207,000).

In July, 1979, the company closed its carpet manufacturing unit in Bolton which was expected to reduce gearing by £2¼m within six months. Further savings and reorganisation were expected to take place in the second half.

UK COMPANY NEWS

Crest Nicholson moves in on Scots jewellers

Crest Nicholson is hoping to repeat the apparent success of the recent Crofton spectacle frame wholesaling acquisition with the purchase of 90 per cent of two private Glasgow companies, Sharron (Wholesale Jewellers) and its associate R. and B. Baird.

The maximum consideration could reach £1.86m in cash on a deferred, profit-related payment formula and the bidder intends to fund the deal with a one-for-four rights issue at the deep discount of 50p per share to raise around £2m. The issue has not been underwritten.

For the moment, Crest is paying £855,000 in cash and further amounts will be paid over the three years up to October, 1983, if profits growth is achieved. The two vendors, Mr. Charles Alexandre and his cousin Mr. Ronald Sher, will retain 10 per cent of the companies and continue as joint managing directors. To obtain the deferred payments, they will have to lift profits to an annual average of over £500,000 during the three years and the additional consideration rises to a maximum of £1m if average annual profits exceed £1.38m.

The rights proceeds will be used to fund the Scottish acquisition, "provide further capital for growth and place the group in a position to take advantage of other opportunities as they occur."

Crest's interim results for the year to October 31 will be published next month and will show a slight improvement on last year. The board, headed by Mr. David Donne, expects that profits for the full year will show "significant growth" over 1979 when the pre-tax surplus reached £4.3m.

Sharron and Baird made £424,000 pre-tax in the 12 months to March 30 last, at which point net assets amounted to £475,000 after providing for deferred tax of £252,000.

● comment

To the extent that Crofton is apparently performing rather better than initially expected, Crest is repeating a successful formula with the Sharron and Baird acquisition. Its funding, too, is reminiscent of the rights which preceded the spectacle frame deal. Again, the discount is heavy at over 50 per cent of the overnight price, but marketability will be enhanced and Crest is expecting to avoid dilution. Half-time growth usually bears little or no relation to the overall rate of improvement and the group should be headed for around £5.5m pre-tax this year, with five months from jewellery wholesaling. Fully taxed earnings would be 12.8p per share for an ex-rights prospective p/e of 7.1 at 100p. The prospective yield is 7.2 per cent. There is no pressing need for cash, although working capital grew by almost £6m last year, the cash outflow was about £1.5m and gearing, ignoring the deferred tax balance, was approaching 50 per cent. Crest appears to be keeping most of its powder dry for further acquisitions.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Associated Paper Industries, Lloyds and Scottish, Sungei Bahru Rubber Estates, Warner Estates.

Finals: British-Borneo Petroleum Syndicate, Cater Ryder, Dorenakende Rubber Estates, European Ferries, John Folkes Hefo, Foster Brothers Clothing, John Foster, Holt Lloyd International, Hunting Associated Industries, Industrial and General Trust, Kwik-Fit (Tyres and Exhausts), Lee Cooper, William Leech, Newman Industries, Prince of Wales Hotels, United Engineering Industries, Whitbread Investment, York Trailer.

Jenks & Cattell well ahead

ON TURNOVER of £4.42m against £3.89m, taxable profits of Jenks and Cattell, metal pressings, steel washers, and garden tools group, virtually doubled from £71,000 to £140,000 for the six months ended January 31, 1980.

Results were achieved despite a heavy cost to the company from last year's engineering strike, and the Middle East troubles are known, they say it would be unwise to predict the year-end results—pre-tax profits for 1978-79 were £317,000.

After six months tax of £43,000 (£22,000), net profits came out at £97,000 (£49,000) giving earnings of 3.02p (1.18p) per 25p share. The interim dividend is increased to 1.5p (1.3p) net absorbing £37,000 (£29,000)—last year's final payment was 2.7p.

The James and Brookfield garden tool businesses, acquired from W. Tyzack Sons and Turner last August, are now fully integrated into the group—the higher level of borrowings during the period coupled with high interest rates, caused interest charges to rise from £89,000 to £122,000.

MINING NEWS

Malayan Tin proposes a six-company merger

BY KENNETH MARSTON, MINING EDITOR

THE long-awaited tidying-up operation for the leading tin mines in the Malaysia Mining Corporation group is now proposed. A merger is being considered of Malayan Tin Dredging with five other Malaysian-registered tin producers. It would create the world's biggest tin company, producing about 14 per cent of Malaysia's tin.

Details have yet to be announced but it appears that Malayan Tin will offer new shares in exchange for those in the MMC group's Southern Malayan Tin Dredging, Southern Kinta Consolidated, Kramat Tin Dredging, Lower Perak Tin Dredging and the unlisted Bidor Malaya Tin subsidiary of Tronoh Mines.

The respective share listings have been suspended at the companies' request pending negotiations with their advisers—Bumiputra Merchant Bankers for Malayan and Aseambankers Malaysia for the others. Prior to the de-listing the companies had a total market capitalisation in excess of £120m, but they have requested Morgan Guaranty of New York to carry out independent share valuations.

The merger has two main objectives. Firstly to reduce the cross-shareholdings that exist between the companies and which cause taxation problems and delay the receipt of dividend income.

Secondly, and possibly more important, it aims to facilitate dealings with the State governments, notably Perak and Selangor. At present the various companies have interests in both states but the emphasis is on operations in Perak.

A single company would be able to separate the collective operations into two divisions for administrative purposes.

In the first instance, it would create a single Perak-based company which would be better able to deal with the state government on matters relating to mining leases and land there which comes under the control of the state governments.

It could also pave the way for new mining ventures and the exploration in Perak for other base metals.

It is doubtful whether full agreement, or acquisition, will result from the merger, although holders of the smaller companies would be better placed to participate in new ventures. But MMC already holds very roughly 30 to 40 per cent of the mining companies and would not have far to go to achieve control.

This would raise the tin interest of London's Charter Consolidated which holds 28.6 per cent of MMC, the balance being owned by the Malaysian Government.

It might also lead to a listing of MMC, although a problem in this respect would be that of putting a value on the company's beneficial stake of 18.5 per cent in the Ashton diamond venture in Western Australia.

JAPANESE BUY COAL FROM NZ

New Zealand is to ship 140,000 tonnes of coking coal worth NZ$9m (£3.85m) to Japan during the next nine months, and it is possible that shipments may be increased to 250,000 tonnes, reports Dal Hayward from Wellington. The coal has been bought by Mitsubishi Chemical Industries and Mitsui Kozan Coking.

Tronoh boosts its pay-out

MALAYSIA'S tin-producing Tronoh Mines is boosting its 1979 distribution with a final dividend of 90 cents (17.8p) less Malaysian tax at 40 per cent. This lifts the year's total to 250 cents compared with only 25 cents for 1978 which, in turn, followed a distribution of 88 cents for 1977.

The total for the past year exceeds earnings which equalled only 105 cents per share. For 1978, earnings per share amounted to 85 cents, thus comfortably covering the dividend for that year.

During the past year Tronoh's output of tin concentrates declined to 2,152 tonnes from 2,409 tonnes, but the effects of this on earnings were offset by a rise in the metal price received. In addition, there was an extraordinary credit and the year's net profit came out at M$14.77m (£2.92m) against M$8.64m in 1978.

In the past four months of this year the group's tin concentrate production has continued to fall and amounts to 526 tonnes against 673 tonnes in the same period of 1978. The price of tin, on the other hand, has been running at some £380 above the 1979 average of £7,282 per tonne.

Profits up at Philippine majors

BY LEO GONZAGA IN MANILA

SEVERAL MAJOR mining companies in the Philippines have reported sharp increases in profits for the first quarter of the current year.

The most dramatic increase was recorded by Benguet Consolidated, the country's leading primary gold producer which has diversified into copper mining. Net profits for the January-March period were 96.8m pesos (almost £6m), 311 per cent ahead of the comparable period of last year and higher than the 79.9m pesos the company earned in the whole of last year.

Benguet attributed the rise to the high prices of metals on world markets and the opening earlier this year of a new copper and gold mine. The record performance was achieved despite an almost 50 per cent fall in the contribution from Engineering Equipment, normally Benguet's most successful subsidiary.

The largest of the Philippines' "Big Five" copper producers, Atlas Consolidated Mining and Development, turned in a rise of 79 per cent in net profits for the first quarter. Net profit here was 156.3m pesos (£9.4m).

Philex Mining, another of the Big Five, recorded net profits of 152.7m pesos for the period, 27 per cent ahead of January-March last year.

Net profits of Marcopper Mining, which is also among the country's leading copper producers, increased by 21 per cent during the first quarter to 72.9m pesos (£4.4m), again on the back of higher world metals prices. The company warned shareholders not to expect this rate of growth to continue.

ROUND-UP

Metramar Minerals, the Australian exploration company, is seeking to raise A$982,400 (£486,335) through a one-for-five rights issue at 20 cents a share and a one-for-five option at 25 cents a share.

* * *

The Electric Power Development Company of Japan is this week seeking, through talks with Australian Government officials in Canberra, a way of obtaining a 19 per cent share in the Conzinc Riotinto-Atlantic Richfield joint venture, Blair Athol Coal. A previous attempt to secure a stake, negotiated with the joint venturers, was turned down by the Australian Government because it was not satisfied no Australian partner could be found for the project.

* * *

Minatome, a subsidiary of Pechiney Ugine Kuhlmann, the French group, has been awarded a uranium mining lease by the Queensland Government at Ben Lomond, 60 km west of Townsville. No details of the agreement were released.

* * *

Brunswick Mining and Smelting announced from Toronto that first-quarter net earnings were C$17.4m (£6.47m), compared with C$14.25m in the first three months of 1979. The group gained from strong silver prices, but lead and zinc production were held back by technical difficulties.

* * *

Northgate Exploration, the Canadian resources group with base metals mines in Ireland, had a net profit in the first quarter of C$2.11m (£785,720), compared with C$1.24m in the same period of 1979.

Dunham Mount petition adjourned

By Raymond Hughes, Law Courts Correspondent

A PETITION by Mr. Ted Brian to wind-up Dunham Mount was adjourned indefinitely by the Companies Court on Monday.

A date for the hearing of the petition — expected to last five-to-ten days — will be fixed by the court when the evidence is completed, but that is unlikely to be in the immediate future.

Similarly adjourned was Dunham's motion for an order restraining formal advertisement of the petition.

The case was listed on Monday as "In re a company," with no indication of the company concerned. This is normal practice when a petition is by a shareholder rather than a creditor.

Mr. Brian, former chief executive of the construction company, Norwest Holst, and a 25 per cent shareholder in Dunham, a private company bidding for Norwest, has petitioned under a section of the Companies Act allowing a minority shareholder to seek distribution of assets in a going concern if he has no alternative way of realising his assets.

Mr. Brian alleges that Dunham was a partnership between himself and Mr. Raymond Slater and Mr. Arthur Lilley, and that he was not consulted on the £5.7m bid for Norwest.

His petition is being hotly contested by Mr. Slater and Mr. Lilley, Dunham's majority shareholders, who control Norwest through their 75 per cent holding in Dunham. Last September they dismissed Mr. Brian as Norwest's chief executive.

W. Bromwich advances to £491,298

A SECOND-HALF increase from £121,783 to £216,298 has lifted taxable profits of West Bromwich Spring Company, springs and pressings manufacturer, to a record £491,298 for 1979, compared with £349,783. Turnover improved from £3.45m to £4.06m.

Prospects are affected by the steel strike, directors state, but the order book is good in spite of a serious recession in the industry.

Net profit for the year came out at £275,298 (£159,783) after tax of £216,000 (£190,000), giving earnings of 4.3p (2.63p) per 10p share.

The dividend is stepped up to 1.3p (1.087p) net with a final payment of 1.01p.

Trading conditions were difficult, directors state, with the engineering strike having affected 90 per cent of the company's customers.

There was no improvement in the agricultural machinery recession and there was a further decline in the British motor industry requirements, they add.

Further purchases during the year increased the chief executive D. A. Cooper-Smith's family interests to nearly 60 per cent of the total equity.

IMI AUSTRALIA

IMI has acquired for cash ICI Australia's 49 per cent interest in IMI Australia, which now becomes a wholly-owned subsidiary of IMI.

IMI Australia had a total turnover in 1979 of £12m and is principally engaged in the metals, engineering, building products and sporting goods markets.

The new chairman of IMI Australia is Dr. T. A. J. Lamb, a director of IMI.

Air Call seeks SE listing

AIR CALL, Britain's largest commercial operator of car telephones, paging and telephone-answering services, is raising £1.2m net through a placing of 886,856 25p shares at a price of 150p a share. The company will apply for a Stock Exchange listing under 163(2).

Following the placing, the current owners will still hold, through a newly incorporated holding company, at least 75 per cent of the shares. The official circular shows that the company, which also operates a medical deputising service in agreement with the British Medical Association, had pre-tax profit in 1979 of £686,000 on turnover of £9.8m.

Fully taxed earnings per share were 8.4p.

The company proposes to issue an interim dividend of 0.525p in October, 1980 and a final dividend of 2.1p in April or May, 1981.

Although the company is in a field where the equipment is subject to rapid technological advance, it has produced no current cost accounts, claiming it did not have time. Nor has it produced a profit forecast, on the grounds that it would not be prudent so early in the trading year. However, most of the company's communications contracts are for more than a year and the BMA agreement extends to the year 2000.

The company's foreign operations, which include paging services in Switzerland and a medical deputising in the U.S., have been retained in the holding company. The company says they are in their infancy, making losses and would not have helped the sale of the issue.

The holding company also hires the chairman and managing director and provides their services to the about-to-be public company by contract. The initial charge will be £0.25m a year to be adjusted in line with the RPI. The holding company also has a contract to provide computer services to the public company—the first year will cost £95,000.

RPC staff backs shares scheme

During 1979 the Rugby Portland Cement Company made a big advance in the development of employee shareholding, says Lord Boyd-Carpenter in his annual report.

Taking advantage of the tax concessions granted in the Finance Act 1978, a new scheme was introduced under which the great majority of employees can acquire shares in the company free and free of tax. On top of this the company gave to those in the profit sharing scheme an opportunity to acquire additional shares in lieu of some of the cash due by way of bonus.

At the end of the year 2,290 employees held shares in the company out of 2,558 Rugby employees of all grades in the U.K.

Lord Boyd-Carpenter says the disappointing progress of the Australian economy has meant that the results of the Australian subsidiary, Cockburn Cement are not very exciting. However, he remains firmly of the view that in Western Australia the company is onto a winner.

The very promising development of the north-west Shelf gas and oil project should before long produce an upsurge in construction work in the State, he says.

As known, the group pre-tax profits rose 4 per cent to £15.1m in 1979. Fixed assets were up from £73.83m to £101.12m, and net current assets amounted to £16.28m (£239.93m). Meeting, Rugby, June 6, noon.

HUNSLET BUYS GREENBAT ASSETS

ing concern, is paying £1.85m cash for the assets of Greenbat which is in receivership.

These include Greenbat's freehold factory and land — Albion Works, Leeds — plant and machinery; stock and work in progress; the goodwill; patents and trade marks. Some £585,000 is attributable to the freehold property.

Much of Greenbat's activity will complement and broaden the base of Hunslet's present activities.

Jessups dives into loss but holds interim

VERY HIGH interest rates and a difficult market, especially for its leasing side, pushed Jessups (Holdings), motor vehicle dealer and body builder, down from a £372,550 taxable profit into a £77,023 loss for the half year to February 28, 1980.

Adverse conditions persist and the directors say they are unable to anticipate an early return to previous profit levels. Last year produced a record £830,408 before tax.

Even so the net interim dividend is maintained at 1p in view of the group's fundamental strength and the Board's belief in favourable long term prospects. A total of 3p was paid last time.

Although turnover was up 24 per cent to £16.28m for the six months margins were narrow. Poor performance by the vehicle leasing subsidiary, which was hit by high finance costs and reduced value of vehicles on expiry of contracts, accounted for a substantial part of the group profit setback.

After tax again at £17,871 the net loss was £94,894 (£354,679 profit).

Wm. Collins waits for second half

WITH short-term prospects for the book industry still discouraging, William Collins and Sons (Holding), publisher, expects only a modest improvement in the first six months over the 1979 first-half loss of £800,000.

The company is confident, however, that in the second half, its most important sales period, the strong autumn publishing lists will provide the increased unit volumes necessary to bring a return to profitability.

Mr. W. J. Collins, chairman, told the annual meeting that trading conditions since the end of the year had continued to be difficult, and the tight control of costs throughout the group, put into effect last autumn, was continuing.

ROBERT JENKINS

Robert Jenkins (Holdings) has acquired, through its subsidiary Robert Jenkins Systems, the capital of Graphite Equipment, a private company. Consideration is £500,000 cash.

Graphite's range includes safety discs and carbon heat exchangers. Its net worth at October 31, 1979 was £245,000. It reported a loss of £68,000 for the year ended October 31, 1979, but this was due to exceptional circumstances.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qrt.	110.3	103.0	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.3	107.1	106	106.2	144.8	1,299	256
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
3rd qtr.	113.1	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.9	104.0	106	101.7	151.9	1,286	230
Nov.	114.4	105.5	114	102.5	153.2	1,282	234
Dec.	112.5	103.9	103	101.7	153.1	1,294	219
1980							
Jan.	111.9	102.4		103.0	155.3	1,339	207
Feb.	110.4	100.9		104.1	158.7	1,414	181
March				103.0		1,414	181
April						1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
1979							
1st qtr.	106.0	99.3	126.9	98.9	98.4	100.1	12.9
2nd qtr.	108.7	102.9	132.8	102.7	110.1	103.0	21.3
3rd qtr.	105.7	96.0	132.1	94.9	103.8	100.1	21.0
4th qtr.	105.0	101.3	129.8	99.4	100.9	94.8	18.1
Oct.	104.0	98.0	130.0	96.0	102.0	96.0	20.5
Nov.	106.0	103.0	132.0	101.0	103.0	96.0	19.2
Dec.	105.0	103.0	128.0	101.0	98.0	92.0	14.6
1980							
Jan.	107.0	101.0	127.0	101.0	63.0	96.0	13.2
Feb.	106.0	101.0	124.0	100.0	57.0	92.0	11.4
Mar.							12.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1976=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	+ 88	102.6	22.72
1980							
1st qtr.	131.6	126.7	−723	−573	−126	100.7	24.87
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March	128.0	122.8	−176	−126	0.0	100.6	26.96
April							28.01

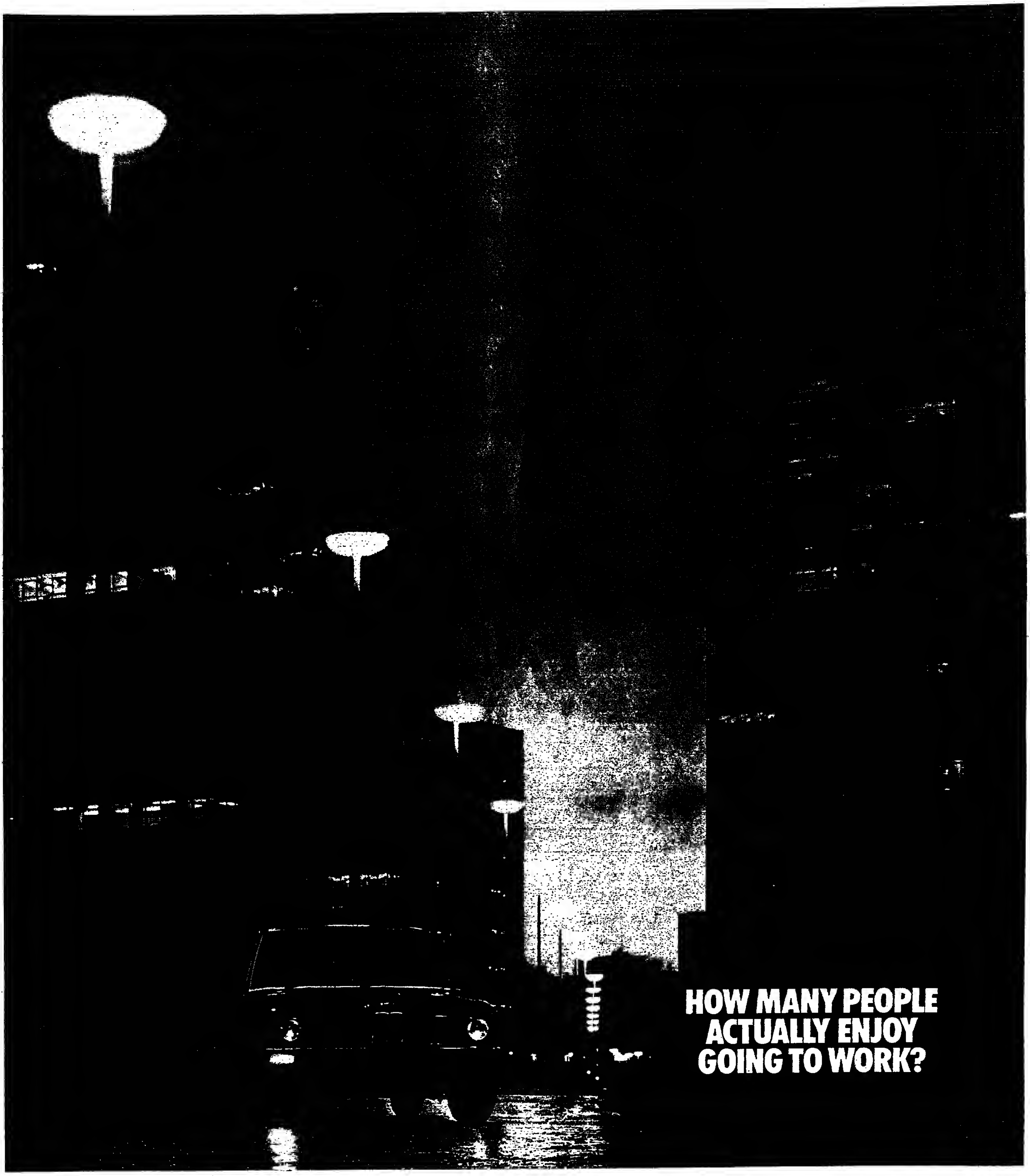
FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3 qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 505	199	667	17
March	−2.3	9.6	25.4	− 607	200	635	17
April					266		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	167.5	183.4	139.4	239.9	295.13	69.7
1980							
1st qtr.		197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March		200.5	194.4	252.2	251.1	284.47	72.6
April		201.8	197.1			275.67	72.6

* Not seasonally adjusted.



Does the man who drives a BMW enjoy going to work because he has an interesting job?

Or because he has an interesting car? It's probably a mixture of the two.

Certainly, every BMW is designed to make driving even a short distance a pleasure, rather than just a daily chore.

So, for example, as you take a bend in a BMW 5 Series you feel the firmness of the race-bred suspension.

You feel, too, the sense of control that comes from a steering system that feeds back to you exactly what's happening on the road.

And when you need to overtake, the 5 Series doesn't leave you wishing you had a larger engine. The two litre 520, for example, has 85% of its maximum torque waiting for you at a mere 1900 revs.

Such responsiveness (and smoothness) comes, of course, from BMW's famous in-line six cylinder engines.

Anything less than the in-line would, according to the laws of physics, be a compromise.

And if a car compromises on its engine, where will the compromise stop?

Even in traffic, a BMW 5 Series shows its paces. For its taut engineering allows you to manoeuvre with the agility of a far smaller car.

Naturally building a BMW costs considerably more than building a car to less rigorous tolerances.

However, we're happy to say that – in real terms – the BMW 5 Series are now less expensive than they were in 1979.

(Inflation has increased by 18.9%, our prices have increased by 8.7%.

Other cars in our class have increased their prices by up to 31%.)

Which is something you could enjoy thinking about while you're enjoying driving to work.

THE ULTIMATE DRIVING MACHINE

THE BMW 5 SERIES PRICES START AT UNDER £7000. (THE 528i ILLUSTRATED IS SHOWN WITH SOME OPTIONAL EQUIPMENT NOT INCLUDED IN THE STANDARD SPECIFICATION). FOR FURTHER INFORMATION ON THE BMW 5 SERIES WRITE FOR A BROCHURE TO BMW (GB) LTD., MARKETING DEPARTMENT, ELLESFIELD AVENUE, BRACKNELL, BERKSHIRE RG12 4TA. TAX FREE TOURIST, DIPLOMATIC AND NATO SALES: 56 PARK LANE, LONDON, W.1. TELEPHONE: 01-629 9277. TELEX: 261360.

NORTH AMERICAN NEWS

Lone Star wins control of OKC cement division

BY IAN HARGREAVES IN NEW YORK

LONE STAR INDUSTRIES, the largest U.S. cement company, has won control of the Oklahoma cement division of OKC Corporation as part of the liquidation of the Dallas-based company.

But Lone Star has not been successful in its ottempts to take over the cement interests of Penn-Dixie, the New York-based industrial group which is being reorganised under the bankruptcy laws.

Penn-Dixie turned down as inadequate Lone Star's $40m offer for its cement assets. At the same time, Penn-Dixie has agreed to sell to a French-controlled company its Nazareth, Pennsylvania, cement-making plant and quarry activities.

Coplay Cement, which is 90 per cent owned by Cimente Francais, will pay $4.6m for the Nazareth interests in another incursion by European cemeot concerns into the U.S. business.

Earlier this year, Heidelberger Zement of West Germany paid more than $100m for the Atlas Cement division of U.S. Steel in a deal which will make Heidelberger the oecond or third largest cement company in the U.S.

Sbareholders of OKC voted to liquidate tbe 21-year-old company, and Lone Star will pay $87m for ths cement sctivities. OKC is also in the process of selling its oil refiaery activitiea.

OKC's board voted in favour of liquidation 15 months ago, leading to investigations of the proposal by the Securities and Exchange Commission.

Lawyers for Mr. Cloyce Box, chairman of OKC, said thst the chairman is facing indictment for criminal violations of the Federal Securities Law.

Other recent acquisitions by Lone Star include Portland Cement of Utah for around $38m cash. It has decided to concentrate on building up its cement and related products division, which brought in more than half its earnings last year.

Wall Street analysts have predicted that the group will this year exceed the $5.15 a share earnings chalked up in 1979. Cement sales are expected to increase again, helped by the group's sunbelt and non-residential market sections.

INTERNATIONAL BONDS

Oil price rise dulls trading

BY OUR EUROMARKETS STAFF

STRAIGHT DOLLAR bonds started firmer yesterday but news that Sandi Arabia raised its oil price by $2 per barrel saw interest taper off in the afternoon. Average gains on the da ywere restricted to ⅛ and overall trading was thin.

Among three new dollar bond issues in the past two days is a $50m convertible offering from the Netherlands subsidiary of Elaion, the U.S. oil and gas drilling company. AmRo Bank is lead manager and guarantor for the four year issue. The relatively loy coupon of 4 per cent is to be balanced by a high conversion premium of around 15 to 20 per cent, but even so the terms make this a somewbat speculotive investment.

Ljubljansko Banka, of Yugoslavia, is to barrow $25m by way of a seven-year floating rate note. The spread is ¾ per cent over six month Libor and Credit Lyonnais is the lead manager.

The Goodyear Tire and Rubber Company is to offer $75m of seven-year straight bonds through Chase Manhatten. The coupon is 12¼ per cent and the issue-price, par. In pre-market trading the bonds were quoted at a discount of around 2 per cent. GMAC is to tap the Canadian dollar market for C$50m. Morgan Stanley is the lead manager for this five-year issue which carries a coupon of 12 per cent. Priced at 99¾ per cent the bonds yield 12.07 per cent.

In the Deutsche Mark sector prices moved up by around ¼ points. The Dutch chemical concern, Akzo, is to raise DM 100m for ten years through Deutsche Bank. The bonds carry a coupon of 9 per cent with an issue price of 99 to yield 9.16 per ceot. bTe next issue on this month's calendar is expected next Tuesday when Westdeutsche Landesbank plans a DM 100m offering for an as yet unknown address. The market is closed today for a public boliday and business is expected to be subdued tomorrow.

The latest new issue in Swiss Francs is for the City of Bergen. Credit Suisse is arranging the SwFr 50m issue which will yield 5.90 per cent. The maturity is ten years and the coupon is 6 per cent with a price of 100¾ per cent. Th esecondary market wos well-mointained yesterday with prices gaining ¼ point on average.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on May 13

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	91⅛	91⅝	+0⅛	−0½	11.58
Australian Res. 9⅞ 84	30	94⅛	94⅝	+0⅛	−1	11.35
Beneficial Fin. 9½ 87	100	89⅝	90⅛	+0⅛	−1⅞	11.88
CECA Grad. Rate 12 86	100	94⅛	94⅝	−0⅛	−0⅞	13.26
CECA 11⅞ 90	50	†97	98	+0⅛	−0⅛	12.05
Canadian Pacific 9¾ 89	50	91⅛	91⅝	+0⅛	−1⅛	11.28
Carter Hawley 9¾ 86	50	89⅝	90⅛	+0⅛	−1⅞	12.17
Comalco Inv. E. 10¼ 91	40	92⅛	92⅝	+0⅛	−2⅛	11.44
Continental Grp. 9⅝ 86	100	90⅝	91⅛	+0⅛	−1⅛	11.78
Dome Petroleum 10 94	54	83⅛	83⅝	+0⅛	−0⅞	12.51
Dome Petroleum 13½ 92	50	99⅛	99⅝	+0⅛	−1⅛	13.56
Dominion Bridge 10¼ 84	30	92⅞	93⅜	0	−1⅛	12.53
EIB 11⅛ 92	80	†96½	97⅛	+0⅛	−0⅛	12.24
EIB 13⅞ 90	100	106¼	106¾	+0⅛	−1⅛	12.67
Exportin 11⅛ 87	50	97½	98	+0¼	−1⅛	11.72
Export Dv. Cpn. 9⅝ 84	150	94½	95	+0⅛	−1⅛	11.33
Export Dv. Cpn. 12¼ 87	100	104½	105	+0⅛	+0¼	11.72
Finland 6⅞ 89	100	*86¾	87¼	−6¼	−3⅛	12.36
George Weston 13½ 87	30	†98¾	99¼	+0⅛	+0⅛	13.72
GTE Finance 9⅞ 89	55	85⅞	86⅜	+0⅛	−1⅛	12.36
GMAC 9¼ 89	75	90⅞	91⅜	+0⅛	−1⅛	11.34
GMAC O/S Fin. 11 84	100	†97½	98	−0⅛	−1⅛	11.62
GMAC O/S Fin. 13⅞ 85	100	104⅞	105⅜	+0⅛	−1⅛	11.99
Kennecott Int. 9⅞ 86	100	84⅞	85⅜	−0¼	−2⅞	13.35
McGraw 13½ 85	75	89⅛	89⅝	+0⅛	−1⅛	11.46
Manitoba 9½ 89	75	86⅝	87⅛	−0⅛	−1⅛	11.94
Michelin 10 94	125	97⅛	98⅛	+0⅛	−0⅛	14.11
Nat. Dev. Telecm. 9⅛ 85	100	92⅛	92⅝	+0⅛	−0⅛	11.29
New Brunswick 9⅞ 94	75	85½	86	+0⅛	−2	11.89
Newfoundland 10 94	80	89⅞	90⅜	−0⅛	−2	11.48
Norway 9½ 84	150	94½	95	+0¼	−0⅞	11.21
NorWest Ind. 13⅞ 87	50	†97¾	98¼	−0⅛	−1⅞	14.09
Nova Scotia Pwr. 9⅞ 89	50	89⅞	90⅜	+0¼	−1⅛	11.62
Pennwalt O/S F. 9⅝ 84	25	92⅛	92⅝	+0⅛	−2	12.16
Pepsico Cap. 9½ 84	100	95	95½	+0⅛	−0⅛	10.82
Quebec Hydro 10 99	75	81⅞	82⅜	+0⅛	−2⅛	12.54
Sears Roebuck 9 82	150	98¼	98¾	+0⅛	−1⅛	11.25
SNCF 12⅞ 85	50	102⅞	103⅜	−0⅛	−0⅛	11.59
Statoil 9⅞ 89	100	90	90½	+0⅛	−1⅛	11.37
Sweden 9⅝ 88	100	89⅞	90⅜	+0⅛	−0⅞	11.57
Sweden 9¾ 84	100	95	95½	+0⅛	−1⅛	11.38
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ciba-Geigy O/S F. 4 84	9/79	675	†77	79	0	5.43
Credit Suisse 4⅞ 93	10/79	1325	102	104	0	5.74
Daiei Inc. 6½ 94	11/79	1020	95⅞	96⅞	−0⅛	36.92
DDKK 11 90	4/80	324	108⅛	109⅛	−0⅛	3.23
Ensearch Fin. 9½ 94	7/80	30.25	†102½	103½	−0⅛	11.30
LPC Internatnl. 8 88	9/79	23.33	†93⅛	95	−0½	32.22
Meidensha Elec. 7 94	12/79	270	96⅛	97⅛	−0⅛	8.93
Mitsubishi Cp. 6½ 94	16/79	604	†121	122½	−2	8.83
Nippon Seiko 7¼ 94	12/79	339	107	108	−0¼	1.04
Nitto Elec. Ind. 6 94	7/79	735	75⅛	76½	−0⅛	2.70
Toshiba Cpn. 7⅛ 94	10/79	198	97⅛	98⅛	0	−1.73
Union Bk. Switz. 5 89	2/80	125	94	98	0	3.26
Fujitsu 5 84 DM	7/79	476	100⅝	101½	+2	10.77
Kansai Elec. 4 84 DM	4/79	1234	87	88	6	41.22
Tokyu Ld. Cp. 4 88 DM	4/79	493	77⅛	78⅝	+0½	39.30
Uny Co. 6½ 85 DM	11/79	1071	92⅞	93½	+0¼	44.95

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

General Foods reverses decline

By William Cochrane

GENERAL FOODS, the largest U.S. coffee producer and a leader in the packaged convenience food industry, has avoided a further setback in earnings after a drop from $1.38 a share to $1.05 in the three months to December.

Fourth quarter earnings to end-March are reported at $1.19 a share on sales of $1.56bn, against $1.14 and $1.45bn respectively for the corresponding period of 1978/1979. From sales of $5.96m against $5.47bn, earnings for the full year are reported op from $4.65 to $5.12 a share.

This comes out slightly hetter than the $5 estimate from Mr. William Maguire, the Merrill Lynch analyst; who revised his ideas down from $5.45 after the nasty third quarter surprise. But Mr. Maguire notes that foreign currency translations had a favourable impact of 13 cents a share in fiscal 1980 against a minus of 2 cents the year before—and that the final quarter showed a net gain of 16 cents on the same account.

All in all, said Mr. Maguire, the fiscal 1980 results were "just about as expected." The packaged food operations were "weak," he added, and GF achieved its early year earnings gains "solely on the coffee business."

Nevtherless, Mr. Maguire is going for an increase in earnings this year to $5.40 a share. He is not excited at prospects on the coffee side bnt the packaged food business "will probably improve." He sees this less as a function of structural change in the business than as o general reaction to the U.S. domestic recession. "More people," be reckons, "will eat at bome."

Philips grants Sanyo licence

By Guy de Jonquieres

THE DUTCH PHILIPS group announced yesterday that it has added Sanyo Electric of Japan to the growing list of companies to which it has granted licences to manufacture its optical videodisc system.

Sanyo, an independent manufacturer of consumer electronics prodncts, will be licensed to sell worwide home eotertainment videodisc systems which it produces using Philips technology.

Philips bas already reached agreements to license its optical disc technology to three other Japanese companies, Sharp, Trio-Kenwood and Sony.

Lockheed pessimistic on L-1011 profit outlook

BY STEWART FLEMING IN NEW YORK

LOCKHEED, the leading U.S. defence contractor, is boping for a substantial reduction in the losses of its L-1011 wide-bodied commarcial jet programme in the next three years, according to Mr. Roy Anderson the chairman.

But Mr. Anderson told shareholders at the annual meeting that only if the L-1011 Tristar jet "really caught on" would there be a possibility of the entire programme hreaking even, and he held ont little hope that this would occur.

Although a technical success, the Tristar has been a commercial problem for the company since it was launched and was the major factor which forced the company to get government ald to svoid bankruptcy. In recent months, orders for the aircraft bave improved and Mr. Anderson said thet he expects that if ths current production rates continue next year, Lockheed hopes to reach a point where current selling prices equal current production costs. But past employment costs will still mean that TriStar programme remaina unprofitabla overall.

Mr. Anderson also said thet ths company will have to wait ontil its financial position is stronger before it can resume paying dividends on its common stock. No dividends bave been paid since 1969. It is, bowever, looking for weys to raise additional capital and is looking at possible equity or debt financing in order to meet pressing requirements for cash.

It is planning to spend $1bn in the next five years on modernising its facilities, and a further $500m on research and development.

In the first quarter, Lockheed reported net earoings of $12m o nsales of $1.1bn, compared with earnings of $12.4m oo sales of $1bn a year ago.

CAB relaxes air fare controls

BY OUR NEW YORK STAFF

U.S. AIRLINES, reeling into heavy losses and growing competitive problems, are to hs allowed greater freedom in raising their fares.

The Civil Aeronautics Board (CAB) has decided, in effect, to speed up the deregulation of air fares by allowing airlines widespread freedom on domestic routes and some increased flexibility on international route to recoup the soaring cost of fuel.

Under the formula sgreed hy the Board, the carriers will be set oo limits in raising fares on domestic route under 200 miles. Between 200 and 400 miles fares can be raised hy up to 50 per cent above the goiog CAB-authorised average and for routes over 40 0miles, the zooe of flexibility will be 30 per cent.

On international routes, the Board hes offered freedom to pnt up fares by between 5 and 10 per cent without reference to the authorities, with the larger degree of flexihility applying to routes with heavily traffc including the sharply competitive U.S.-Europe routes.

The changes on domestic routes are affective immediately and on international routes from June 1.

The CAB has hesitated previously to open up the carriers' freedom to raise prices—even though there is already virtually complete freedom to cut rates—because of fears of stimulating inflation.

It has become clear in the lsst six months, however, that the recession will drive many airlines into grave finsncial difficulties, leading to further mergers in the industry and perhaps a resultant reduction in the number of competing services.

In particular, the Board is worried that the higger airlines will pull out of loss-making shorter routes, eliminsting commuter and other inter-city services which are essential for the economic health of parts of the U.S.

In the qnarter just completed, seven of the country's 10 leading airlines failed to pay shareholders dividends on common stock. The biggest domestic airline, United, lost over $40m, Pan American lost $75m, American Airlines $42m and Trans World $49m.

If these losses continue, it is inevitabla that at least on and possibly several of the major carriers will be forced into mergers in tha course of the year.

The Board also indicated yesterday that it is prepared to speed the merger proposal between Repnblic Airlines and Hughes Airwest, the California airline owned by the trustees of Mr. Howard Huges. The $45m deal will take Minneapolis-based Republic into the top 12 leagoe of domestic carriers.

Record year predicted by ITT

BY OUR FINANCIAL STAFF

INCREASED EARNINGS for the first quarter at International Telepbone and Telegrapb (ITT), second largest supplier of telecommunications equipment in the world, include a 97 cents a share gain from foreign excbange translation and a $14m credit from the change io UK tax.

For the first quarter, ITT bas lifted earnings from $210.1m to $346.5m, or from $1.46 a share to $2.38. Sales of $4.27bn compare with $3.81bn s year earlier.

The company has predicted record earnings for 1980 and said that all five of its businesses bad increased revenues and operating earnings in the first quarter.

ITT's existing record was established in 1978 when the company earned $661.8m or $4.66 a sbare.

ITT said the largest increase in first quarter operating net came from the consumer products and services group, which showed o $37.4m improvement over the 1979 quarter.

The group's performance was led by O. M. Scott and Sheraton. It also cited tha sale of its Frencb cosmetic business.

The company said its telecommunications and electronics gronp's operating net increased by $4.8m in the first quarter, reflecting o strong performance io Italy and Britain.

The engineered products group had a $7.1m increase in operating net as continuing strength in the components and semiconductors and industrial products segmets more than offset the impact of depressed markets for automotive products.

The natural resources group's operating net rose by $19.9m, principally because of the closure last year of the Rayonier, Quebec.

The insurance and finance gronps operating net, excluding foreign exchange gains, was up by $6.7m

The favourable effects of foreign currency translations in the first qnarter, which contributed 97 cents a share to earnings, might be offset during the halance of the year.

Exxon and ARCO in shale oil $400m deal

By Our New York Correspondent

IN ITS first major foray ioto the shale oil industry, Exxon, the world's largest oil company, bas reached a preliminary agreement to buy a 60 per cent interest in a Colorado share project from hte West Coast oil company Atlantic Richfield Arco for $400m.

Arco's decisio nto sell out its interest in what a review of its investment projects, the company said. Arco explained that it has more investment opportunities than funds to carry them out and since it already has two other major shale oil positions, it is well placed to dispose of its Colony stake. The company concedes, however, that the sale will mean that it will not now be leading production of shale oil by bringing on the first facilities.

Last November, Exxon's chairmao Mr. C. C. Garvin made it clear that the company was proposing to make a major commitment to shale oil production with a prospective investment of $3.5bn.

Industry observers have teoded to see a decision by Exxon to get ioto the field as a signal that the production of oil from shale waa likely to take place on a comercial scale. For several years, a number of companies have been experimenting with various methods of extracting oil from shale. Some projects have mined the shales, others plan to heat it in place in order to extract nil. But development has been impeded by high costs until the recent increases in oil prices began to make shale oil production more economically feasible.

There remain immense obstacles to large scale exploitation of the oil ahale reserves, bowever. Many mojor deposits ore in Colorado and there are strong environmental objections to the rapid development of a shale oil industry in the region.

Wider services boost IRFB

By Our Financial Staff

THE TURNROUND from a loss of $1.1m in 1978 to a profit of $122,000 last year at International Resources and Finance Bank (IRFB) was due to the steady development of the bank in Luxambourg and in London, Mr. Chakirullah Durrani, president, said.

"The removal of UK exchange controls was a welcome development which allowed the bank to expand its operations in London to include all types of honking business in foreign currencies, in oddition to the sterling facilities offered previously," be added.

CANADIAN CAR INDUSTRY

Ottawa drives a hard bargain with Chrysler

BY ROBERT GIBBENS IN MONTREAL

ONLY A couple of years ago, newspapers in Canada and the U.S. were running articles about the new boom town of Windsor, Ontario, opposite Detroit.

Inflation seemed to have taken most of the sting ont of higher oil prices, and the North American cam companies were beginning an investment programme of about $2bn. Dingy Windsor, which is Ford and Chrysler country, seemed about to take on a new mantle of prosperity.

But the Iranian crisis and the disastrous downturn in the North American car industry has plunged Windsor into gloom. And General Motors of Canada, which has about 50 per cent of the domestic market for North American-produced cars, is cutting back production at plants east nad west of Toronto.

Chrysler Canada is saved for the time being. But the bailout by the Federal and Ontario Governments, delayed for a week by baggling over job guarantees at Windsor, was only just in time. Last Friday, Mr. Iacocca Lee, the Chrysler president telegraphed Ottawa, saying thot collopse was only a week away.

A last minute round of bargaining by Ottawa, the Ontario Government and Chrysler officials took place last Saturday. But Ontario failed to get extra job guarantees it was holding out for. The final package was C$200m (US$170m) in Federal loan guarantees, and commitment to build a Chrysler research centre at Windsor for which Ontario would pay half the capital cost.

The actual job guarantees are slender, because neither Chrysler Canada nor its parent are certain to survive even with the aid package by Canada and the U.S.

North American car demand has fallen about 20 per cent from its peak because of recession and higher petrol costs. Imported cars, mainly from Japan, are taking nearly 20 per cent of the market again, after declining last year.

GM bas the supply of new small models, but Ford and Chrysler bave so far missed the market: The result can be seen in pricing. A compact front wheel drive Chevrolet Citation, GM's newest entry, sells in Canada for only C$ 100-200 below a well-equipped large size Chevrolet Impala. Small cars are at a preminm if you have them to sell.

Chrysler Canada'a first request last March was for C$ 550m in loan guarantees, and C$ 200m in grants in return for a programme to invest C$ 1bn in Canada by 1985.

Ottawa asked, in returo, for the prodnction of a new small car in Consda, development and production of a new van, and guarantees of 14,000 jobs. Then it decided that Chrysler was asking relatively more from Canada than the U.S., and the whittling down process started until the $200m guarantee was reached.

By the end of April, Chrysler said it could not give the Canadian job guarantees after all, because the company's situation was still deteriorating. Finally, it was agreed that Chrysler Canada's workforce will equal 9 per cent of the Chrysler workforce in the U.S. this year and next and 11 per cent in 1982-86 if the company survives.

The investment programme must depend on that survival in the short term and there is no certainty that it will be achieved.

Massey-Ferguson chief may step down

BY OUR MONTREAL CORRESPONDENT

MR. CONRAD BLACK, bead of the Hollinger-Argus holding company of Toronto, may shortly step down as chairman and chief executive of Massey-Ferguson, the worldwide farm equipment manfuacturer. Top management changes are possible later this month, and Mr. Victor Rice, the president, is thought likely to take over as chief executive.

Company sources say the main reason is that Mr. Black, who with his brother, Montague, won control of the Argust gronp two years ago, regards the management and operational structure of Massey-Ferguson secure enough for him to devote more tima to other companies in Hollinger-Argus.

Massey-Ferguson has been going through serious problems, since Mr. Black and Mr. Rice assumed the top management positions in 1978, mainly because of high inventories, diverse markets ond product range and slow demand io some areas. The company has cut back some operations, redncing workforces in Europe and North America and has sold some loss-making subsidiaries, including a European construction machinery firm.

The company is concentrating on its basic farm machinery business, and its operating results bove improved. However, plans for a major equity issue bas been delayed and the deepening U.S. recession and high interest rates may slow recovery.

Asbestos group fights expropriation

BY OUR MONTREAL CORRESPONDENT

MR. GUY FISKE, chairman of Asbestos Corporation, Canada's second largest fibre prodncer, and also a vice-president of its parent, General Dynamics nf U.S., said that the Quebec Government refused to consider advantageous alternatives to expropriation and has inexorably forced Asbestos into the one place where the rights of all citizens are protected—the courts."

At the annual meeting, Mr. Fiske said that last December the Quebec Court of Appeal issued an interlocutory injunction ordering the Government to refrain from carrying out any expropriation measures until final judgment is rendered in an action challenging tha validity and constitutionality of the law to expropriate Asbestos Corporation's Qusbec assets. Last month, this action was heard by the Chief Justice of Quebec Superior Court, and a decision has yet to be announced. The Expropriation Bill was passed by the National Assembly on June 22, 1979. On September 21 last year, the Government offered General Dynamics C$42 per share for its 54.6 per cent controlling stake in Asbestos.

On October 4, 1979, the Board of General Dynamics rejected that offer as totally without merit. There have been on talks on the sale of shares since, Mr. Fiske said, but before October last, there were several discussions between himself and the Finance Minister of Quebec, Mr. Jacques Parizeu.

Several alternatives were presented to the Government, said Mr. Fiske, including offers to set up joint ventures in new asbestos mines and to co-operate in two specific manufacturing projects. GD also presented a concept that would allow tha Government to acquire a controlling interest in Asbestos Corporation nver a period

BMW raises earnings and dividend

BY KEVIN DONE IN MUNICH

BMW, THE West German high performaoce car and motor cycle manufacturer increased after-tax profits last year by 16.2 per cent and is raising its dividend from DM 9 to DM 10 a share.

Despite a substantial decline in the home market in the first three months of the year it was expecting production to increase by a further 5 per cent in 1980 to around 354,000 cars with the main sales impetus coming from export markets.

The German car market has shown a significant decline in recent months as demand has fallen from the exceptional levels reached during the boom of the last five years. BMW has suffered in the domestic market along with most other manufacturers.

Total new car registrations in West Germany in the first three months of 1980 amounted to some 704,152 a fall of 8.7 per cent from the first three months of 1979. BMW saw its new registrations in the same period fall by 15 per cent to 40,116, although April showed a distinct improvement. For the first four months of 1980 it is lying some 9 per cent behind last year.

The weakening of domestic demand means that foreign sales are assuming an even greater importance for BMW. Export sales in the first four months rose by 13 per cent compared with the same period of 1979, against a rise of only 2 per cent for total West German car exports.

The company's total sales for the first four months rose by 5 per cent to DM 2.5bn ($1.38bn) and production also climbed by a further 5 per cent to 127,000. Of this 71,000 cars were exported and 56,000 were delivered in the domestic market.

Last year export markets took 51.6 per cent of BMW's total deliveries of 335,132 cars. BMW's world sales in 1979 were DM 7.4bn, a rise of 13 per cent. Group after-tax profits jumped by 16.2 per cent to DM 177.1m, and production rose by 5 per cent to 336,981 units.

Herr Aberbard von Kuenbeim, chairman of BMW, said yesterday that the company was still considering eight sites in three countries, West Germany, Austria and the U.S. as the location for a production plant, but a final decision was unlikely to be made for several months. Costs considerations were making it "more and more difficult" to decide to build the plant in the Federal Republic.

In additioo to the new works BMW has embarked on a major investment programme, which could involve the expenditure of some DM 4.5bn over the next five years. Capital expenditure last year totalled DM 473m and is expected to rise this year to around DM 700m.

With the takeover of its UK selling organisatinn effective from the beginning of the year, BMW has virtually completed its programme of taking into its own bands the BMW import organisations in its most important markets. Only Spain remains to be brought into the net.

Bastogi in red despite revaluation of assets

By Rupert Cornwell in Rome

THE DELICATE state of the planned recovery programme at Bastogi, the major Italian property and industrial holding company, was underlined yesterday with the publication of its 1979 results showing a loss of L7bn ($8.2m).

At the same time Sig Alberto Grandi, Bastogi's president, confirmed at the annual meeting here that he would accept the Government's nomination to the presidency of the troubled state energy agency ENI whose affairs were thrown into renewed chaos last month with the 11th-hour refusal of the previous nominee, Sig Egidio Egidi, to take on the top job at ENI.

However, Sig Grandi's own decision to move was in doubt almost to the last moment. Apart from an understandable reluctance to become embroiled in the political feuding which now surrounds ENI, his hesitation reflected the incomplete nature of the Bastogi restructure, with which Sig Grandi has been closely identified.

One sign of the group's enduring problems is the 1979 loss, which compares with accounts nominally in balance for 1978. The 1979 deficit of L7bn was incorred despite accounting gains of L40.5bn deriving from a revaluation of certain fixed assets of Bastogi.

However, more uncertainties still surround the planned capital increase of the company.

Originally Bastogi planned to lift its capital by L100bn from the present level of L198bn, and thus achieve a major injection of fresh working capital. However, so far a first tranche of L50bn only has been settled, while the company is believed to still be searching for potential new shareholders to help raise capital to the permitted maximum of L298bn.

As far as operating results are concerned last year saw a big jump in group turnover to L980bn from L650bn in 1978, while some of the previous loss-making interests, particularly relating to the chemical industry, have been reduced.

At the same time the group's most important subsidiary, the engineering and construction concern Cogefar, lifted its turnover to L260bn, of which three-quarters was generated abroad, while orders rose to L800bn. Cogefar's net earnings last year are expected to be at least L2bn.

NMB seeks Fl 84m by rights issue

By Our Amsterdam Correspondent

NEDERLANDSCHE Middenstandsbank (NMB) is to make a one-for-ten rights issue which will raise Fl 84m ($43m).

NMB, which is number four in the Dutch banking league, plans to issue nearly 488,000 shares at Fl 172.50 each. The bank's shares were trading at Fl 217 on the Amsterdam bourse ahead of the announcement.

The aim of the issue is to bring the bank's capital in line wth increased volume of business while the funds raised will allow it to increase credit facilities to borrowers under the central banks credit curbs. These allow banks to pass on long term borrowings but place limits on lending which is not backed by long term fonds.

The Dutch central bank has been growing increasingly concerned at the erosion of Dutch banks' solvency margins and repeated in its recently published annual report a plea for the banks to increase their equity capital. In 1979 only one bank placed new shares.

NMB's share issue, which is open for subscription on May 23, will increase assets by Fl 84m to just over Fl 1bn. Total assets, including capital, reserves and subordinated loans, will increase to just over Fl 1.6bn.

Commenting on its performance in 1980 NMB said that business continued to expand in the first months of the year and profit in the first quarter was up. The board expects that profits per share will be maintained at the 1979 level despite the increase in capital.

First-quarter advance at Akzo

BY OUR AMSTERDAM CORRESPONDENT

AKZO, THE DUTCH chemicals and fibres gronp, improved sharply its first 1980 quarter result due to better earnings from its chemical products and coatings activities and from non-consolidated companies.

Net profit more than doubled to Fl 89.6m ($45m) from Fl 39.4m in the first quarter of 1979 on turnover which was 13 perc ent higher at Fl 3.3bn. Akzo's share in the earnings of non-consolidated companies was Fl 15.1m compared with a loss of Fl 2.1m last year. At the operating level profits rose 20 per cent to Fl 180.6m. Net profit per Fl 20 nominal share ros to Fl 3.03 from Fl 1.33.

The sales rise was largely due to Akzo passing on the large price rises of petrochemical feedstocks and energy. The company again made stock profits.

It took only Fl 5m profit in the first quarter compared with double that amount last year, in line with its policy of distribnting these profits over the year as a whole.

The man-made fibres division achieved operating profit of only Fl 6m on sales of Fl 1bn compared with Fl 8m on the first 1979 quarter. Profit on chemical products and coatings rose to Fl 104m compared with Fl 75m on sales of Fl 1.3bn (Fl 1.1bn).

Profits in the pharmaceuticals, consumer and other prodncts division rose to Fl 79m (Fl 71m) on turnover of Fl 992m (Fl 859m).

Investments in property plant and equipment rose to Fl 124m in the quarter from Fl 80m. The number of employees rose by 500 to 83,500 after the consolidation of a minority holding company.

At the shareholders meeting, the chairman, Mr. Adolf Van Den Bos repeated his forecast that Akzo expects to achieve a "reasonable performance" this year. The company increased net profit ninefold to Fl 230m in 1979 and paid its first dividend of Fl 2.40 in five years.

Dividend payments in future will be closely related to the "hard profit" defined as net income, after extraordinary items, calculated on current value basis. This amounted to Fl 82m in 1979.

Accumulated losses which may be set against future profits for tax purposes amount to more than Fl 800m. These losses are spread over the Netherlands, West Germany, Belgium and the UK.

Ennia and Amev expect growth

BY OUR AMSTERDAM CORRESPONDENT

TWO LARGE Dutch insurance gronps, Ennia and Amev, forecast further growth this year after recording a strong improvement in 1979. Ennia expects a further increase in profits per share this year despite an expected 12 per cent increase in outstanding share capital. This follows a ten per cent rise in 1979 on a 25 per cent increase in capital.

The company foresees a considerable increase in the profits of its life insurance activities while it is "not pessmistic" about its non-life business, said Mr. A. W. Dek, the chairman.

In the Netherlands Ennia aims at selective growth concentrating on profitable business and cutting back on loss-making activities such as car *pool insurance.* It hopes to increase the return on assets to around 12 per cent over the next two to three years from the 1979 level of 10.5 per cent.

The company expects to continue to pay around Fl 10m annually into its "catastrophy reserve" which was set up last year. This reserve, which will be used to meet exceptional losses, reduces net profits but it, Ennia believes, in the long-term interest of its shareholders.

Net profits rose 26 per cent to Fl 69.7m ($35m) in 1979 on gross receipts which were 12 per cent higher at Fl 2.2bn. Pre-tax profit rose 6 9per cent to Fl 106.1m comprising Fl 84.5m from life insurance, Fl 17.3m from non-life and Fl 4.3m from other activities.

Amev said that its recent acquisitions in the U.S. and Australia will give an extra stimulus to turnover growth in 1980 while profits are also expected to rise.

The company stressed, however, that profitability will depend very much in interest rate levels.

Net profit rose 21 per cent to Fl 115.1m last year on turnover which was 14 per cent higher at Fl 2.43bn.

Nestle in French bid

Nestle of Switzerland has made a bid for complete control of Société Lait Mont-Blanc, a French dairy products company in which Nestle at present has a 70 per cent interest, the Paris Stockbrokers' Association said, AP-DJ reports from Paris. Nestle ia offering FFr 100 ($24) for the outstanding FFr 50 nominal shares of Mont-Blanc, which is capitalised at MMr 20m ($4.8m). Mont-Blanc shares closed at FFr 75.50 on Friday.

Beiersdorf to maintain payment

Hamburg — Beiersdorf, the cosmetics and pharmaceutical group, is proposing an unchanged dividend of DM 6.50 per share for 1979 following satisfactory results.

Beiersdorf did not report 1979 earnings figures in its brief dividend statement, but noted that in the first four months of 1980, sales of the parent company had climbed by 11.7 per cent.

Worldwide sales rose 10.7 per cent in 1979 to DM 1.57bn ($867m) with domestic sales up 7 per cent and foreign sales up 13.8 per cent for the parent company alone, 1979 sales rose 8.9 per cent.

Allianz-Versicherunga, W. Germany'a largest insurance company, and the family owned Tchibo coffee roasting and trading company, each hold over 25 per cent of Beiersdorf.

AP-DJ

Sales improve for Wella

By Our Financial Staff

IMPROVED sales are forecast for 1980 by the West German based Wella cosmetics group. A rise of around 8 per ceot to DM 1.25bn ($690.6m) is seen for this year.

For 1979, the family-owned parent company, Wella AG, reported net profits of DM 12.6m up 7.6 per cent, on sales which totalled DM 326m, up 4.8 per cent. World sales rose 7.7 per cent in 1979.

Elf-Aquitaine profits increase to FFr 5.9bn

BY TERRY DOOSWORTH IN PARIS

VIRTUALLY every division of Elf-Aquitaine, the French nationalised oil company, contributed to the jump in earnings last year from FFr 1.4bn to FFr 5.9bn ($1.4bn).

Presenting the consolidated figures yesterday, Elf said that its performance had been helped by the turnround in its refinery and distribution interests, where it has experienced difficulties in recent years, as well as its chemicals divisinn.

To a lesser degree, it has also been boosted by the improvement in the results of Le Nickel, the mining concern owned jointly with the Paris-based, Banque Rothschild.

The company, France's second largest oil group after the state controled Total Groop, warns that the widespread changes io the oil industry last year combined with the rapid development of both prices and costs, make it difficult to compare the results with 1978.

The 37 per cent increase in turnover, from FFr 41bn to FFr 56bn, was explained, Elf says, not only by the increase in oil and gas prices, but also the expansion of the group's production from its interests in the North Sea fields.

Charges also rose sharply last year, the company notes, going up by 27 per cent. This was due to the added price of supplies and of taxes to producer countries, as well as a higher tax offtake in France.

While investments went up last year, rising from FFr 6.9bn to FFr 7.2bn, the additional charge was more than adequately covered by cash flow, which also rose strongly from FFr 6.5bn to almost FFr 12bn.

Elf has already indicated that it intends to increase investments over the next few years, channelling some FFr 80bn of its increased profits into exploration and production programmes in the period up to 1985.

The company is proposing to increase its net dividend from FFr 18 to FFr 35.

Skis Rossignol setback

BY DAVID WHITE IN PARIS

SKIS ROSSIGNOL, the French sports goods manufacturer, has confirmed a sharp fall in its profits and warns shareholders not to expect a recovery until 1981-82.

The group, which until recently was one of the Paris bourse's star performers, says consolidated net profits for the year which ended on March 31 would be cut from FFr 26 net, but would not be less than FFr 20.

The group had already warned that its hopes for improved results were set back in the first half, although profits in that period were 10 per cent up.

The main reasons given in the shareholders' letter for the downturn were the dollar's weakness during the main delivery season, high interest rates, disappointing sales of tennis racquets in the U.S. and exceptionally poor snow conditions in North America.

Sales this year were expected to grow "rather slowly" and ski production would be kept at a level similar to or lower than last year's entailing some short time working.

The lack of snow in the U.S. and Canada, promotion costs for tennis equipment and problems in West German and Swiss subsidiaries would affect this year's results. Next year, however, growth should be resumed and the group should benefit from productivity gains.

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BORROWER PROFILE — SOUTH KOREA

New names in the market

BY PHILIP BOWRING, RECENTLY IN SEOUL

MANDATES HAVE been awarded for the first syndicated Euromarket loans to three of South Korea's big five commercial banks. First into the market place will be Hanil Bank, due this week, followed by Commercial Bank of Korea, and then Cho-Heung Bank. Probably next month, will come Korea First Bank and Bank of Seoul and Trust, tha other of the so-called City banks.

The first three are each looking for $50m for eight years. The spread is ¾ per cent for three years and then ⅞ per cent for the remaining five, the same as a $500m Korea Exchange Bank syndication in February. The commercial banks have the disadvantage of being names new to the market and being owned only partly by the Government. They are thus perhaps not quite as good a risk as KEB or the Korean Development Bank. On the other hand, the individual loans are relatively small. The KEB issue was a critical test of confidence as it was the first loan after the October assassination of President Park and political struggles within the Korean military in December.

Since then, however, the Korean balance of payments has taken a further turn for the worse and is not likely to show early improvement. Korea cannot hold out of the market too long. It has set itself a target for this year of $1.7bn to $2bn in new commercial borrowing, and it might have to raise its sights further, at least next year. Korea Development Bank will tap the market around July-August for not less than $500m, and perhaps try for as much as $700m. Also waiting in the wings is the Korea Export Import Bank.

In February the Korean Government was forecasting a current account deficit of $4.7bn for 1980, compared with $3.9bn last year. But this has been revised upwards, to around $5bn. A major unknown is the trend in interest rates. Korea's total medium-term debt is now about $15bn and short-term debt (including portions of medium-term debt maturing within 12 months) another $5bn. How much of the $20bn total is in dollars at floating rates is not published. But when Libor was up to about 20 per cent one government estimate put the additional interest cost at $400m, bringing inteerst and dividends payments to $2.2bn from the originally projected $1.8bn.

Interest payments helped push the invisibles account, normally well in surplus, into deficit in the first quarter of 1980. The recent sharp fall in Euromarket rates has come as a great relief to Korea and, if sustained, should save several hundred million dollars this year. But the other side of the coin is the impact of the move towards recession in the U.S. After a weak performance in 1979, Korea's exports showed modest buoyancy in the first quarter and there was hope that the January devaloation of the won would soon have a significant impact on export volumes. But the outlook in the U.S. market, which accounts for 30 per cent of exports is now poor in the short term. Hopes that visible trade would end the year better than originally estimated may now have to be put away.

Earnings from Middle East Construction contracts are currently flat, and no immediate improvement is likely. Korean companies may have to fight even harder for contracts following reports that the biggest of them, Hyundai Construction, might be banned by the Saudis from bidding for two years a punishment for paying bribes to Saudis. Tourism earnings have also been flat following the Park assassination.

Despite the effect of domestic recession on imports, the current account balance is likely to get substantially worse before it gets better. So Korea is likely to have to push harder than ever, and probably pay more, for its commercial borrowings. However, it has IMF standby facilities totalling SDR 640m over the next two years — four credit tranche drawings, plus 300 per cent of its SDR 160m quota under the IMF supplementary financing facility.

Korea is making drawdowns as they are available and will try to use the IMF facility to keep a rein on its recourse to the commercial markets, especially if conditions there deteriorate. It also appears to be being quite successful in finding additional short-term credits by lengthening trade credit terms, and attracting dollars by raising the dollar-won swap limits allowed to foreign bank branches in Seoul.

Bankers will not desert a country to which they have already loaned so much and which has a proven record of such economic performance — notably a spectacular recovery from its 1975 current account problems when it had a hard fight for funds. Korea's debt service costs are only around 13 to 14 per cent of exports this year (depending on interest rates) and its debt to GDP ratio around 24 per cent.

Honda lays out issue plan

By Richard C. Hanson in Tokyo

HONDA MOTOR Company is to price its Y40m domestic common stock issue at Y545 per share, raising Y21.8bn (£86m), to be used partly to fund an expansion of its production facilities.

The issue, to be offered only in Japan, from May 19 to May 2, will increase Honda's nominal equity capital to Y33bn from Y31bn, as each share carries a par value of Y50.

Honda shares on the Tokyo stock exchange closed yesterday at Y561.

Honda, which has entered an agreement to produce cars in co-operation with BL, will not be using funds from the parent in Japan to finance construction of a car assembly plant in the U.S. Those funds will be raised in the U.S.

Sharp gain at Pioneer Electronic

By Our Toyko Correspondent

A MARKED gain in non-consolidated interim earnings was achieved by Pioneer Electronic Corporation, Japan's biggest integrated audio equipment maker in the half year to March 1980.

Pioneer's non-consolidated operating profits jumped by 45.9 per cent to Y15.48bn ($68m), and net earnings advanced to Y7.58bn, up 33.6 per cent, compared with the levels in the corresponding period of tha previous fiscal year.

The company's non-consolidated interim sales increased strongly, to Y106.74bn ($470m), to show a gain of 24.1 per cent, helped by strong overseas sales and sharply increased sales of car stereo sets. Overseas sales increased by 31.9 per cent, to account for 48.8 per cent of total sales. Slackened sales in the U.S. were offset by sales more than doubled in the European market. A breakdown of turnover showed home audio equipment accounting for 64 per cent and mobile audio accounting for 34.2 per cent.

For the full fiscal year, ending September, the company expects operating profits to reach Y28.5bn, up 26 per cent.

Toyo Engineering seeks listing

BY YOKO SHIBATA IN TOKYO

TOYO ENGINEERING Company (TEC), one of Japan's top three integrated engineering companies, has said that it will apply to the Toyko Stock Exchange for listing this July, with the prospect of achieving its aim by the end of this year.

The company was established in 1966 by Mitsui Toatsu Chemicals, Mitsui and Co, and Taisei Construction. However, unlike the other two leading engineering companies, Chiyoda Chemicals and Engineering, and IGC Corporation, TEC has not yet been listed on the stock exchange. TEC's first attempt, immediately after the oil crisis in 1973, failed because of a slowdown in its business. A recent improvement in earnings performances has encouraged the company to set a target of listing by the end of 1980.

In the year ended March 1978, net earnings were Y3.1bn ($13.7m), on sales of Y199.6bn ($880m), and the company paid a 12 per cent dividend. In the year ended March 1979, net earnings rose to Y7bn, on sales of Y107.9bn, and the dividend was 14 per cent. For 1979-80 net earnings are expected to reach Y8.4bn, on sales of Y158.1bn, and a 14 per ceot dividend is forecast.

TEC sees scope for further improvement in earnings for the current fiscal year, on the grounds of a strong increase in new orders received in 1979-80, including chemical plant for East Germany, Algeria, and Korea.

TEC, which is capitalised at Y2.97bn, has its head office in Tokyo.

NZ Forest in partial bid for UEB Industries

BY DAI HAYWARD IN WELLINGTON

TWO OF New Zealand's industrial giants, New Zealand Forest Products and UEB Industries, are planning an association to produce a concern which will be large, even by world standards. NZFP is to make a NZ$33.4m (U.S.$32.5m) offer for 40 per cent of the voting rights in UEB.

Both companies have substantial holdings in paper milling, packaging, the manufacture of carboard and similar products, forestry ans timber milling, and are major exporters.

The bid comes after prolonged talks between the two boards. The UEB directors will recommend acceptance by shareholders.

The offer, which varies for each of the three types of UEB shares, is a mixture of one NZFP NZ$1 share and a cash amount of between three and five UEB 50 cent shares.

The merger will have to be approved by the Examiner of Commercial Practices. If it goes through, the existing UEB board will stay on the UEB's stock exchange listing as a free standing public company will remain.

UEB is recognised as ooe of New Zealand's most progressive companies. Over the years, it has shown initiative and entarprise and, in addition to its interests in paper and packaging, is a carpet manufacturer. It has developed big export markets for its prodncts

Good advance at BAT Indonesia

By Richard Cowper in Jakarta

PT BAT INDONESIA, the largest manufacturer of non-clove cigarettes in Indonesia, has announced a sharp increase in net profits. The company's annual report, released at BAT's first shareholder meeting since the company went public at the end of last year shows net profits up 104 per cent, from R 4.12bn ($6.6m) for the 15-month period ending December, 1978 to R 8.36bn ($13.7m) for the 12 months ending December, 1979. A straight yearly comparison is not possible because of a change of acconnting period.

Earnings per share for the 12 months to December, 1979 grew R 380 from R 182 for the previous 15 months. The company declared a final divideod of R 195, on top of an interim dividend of R 133, bringing the total dividend per share paid out for the 1979 financial year to R 328.

The growth in oet profits resulted from an increase in cigarette production and prices, along with excise changes in the middle of the year. The employment of spare production capacity and existing marketing networks meant that the company was able to increase output

Sales growth was less sharp at 19 per cent, up from Rh 67.8bn for the 15 month period to December, 1978 to Rh 80.8bn ($129m) for the 12 months ending December 1979.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	6.5.80	13.5.80	AVERAGE YIELD	6.5.80	13.5.80
DM Bonds	93.07	94.07	DM Bonds	8.884	8.698
HFL Bonds & Notes	91.93	92.35	HFL Bonds & Notes	10.061	9.942
U.S. $ Strt. Bonds	87.08	88.05	U.S. $ Strt. Bonds	11.511	11.330
Can. Dollar Bonds	87.30	91.03	Can. Dollar Bonds	12.420	11.628

DUTCH CHEMICALS

DSM expects to recover further

BY CHARLES BATCHELOR IN HEERLEN

DSM, THE Dutch state-owned chemicals group, foresees a a further improvement this year after unexpectedly showing a net profit of Fl 89m ($45m) in 1979.

While in the short time prospects are good, DSM remains vulnerable because of its dependence on bulk chemicals. When its customers start running down the stocks they have built up in recent months a decline in demand can be expected, said Mr. Wim Borgers, the chairman.

DSM allows for a wide margin of error in its forecast of profits. It originally forecast a loss last year of up to Fl 200m. Business in the first quarter of 1980 was better than expected and turnover is 30 per cent up at Fl 4.2bn. A slight downturn occurred in April though, and the position is expected to worsen in the second half of the year.

Last year's net profit of Fl 89m was more than three times higher than the Fl 26m in 1978 on sales which were 27 per cent up at Fl 12.75bn ($6.4bn). Operating profit rose sharply to Fl 373m from Fl 46m.

When current cost accounting is applied to DSM's results they show a loss of Fl 26m compared with a loss of Fl 19m for 1978. DSM will therefore make no dividend transfer to the state for 1979.

Higher prices and a reduction in unit costs led to last year's profit. The upturn in demand in expectation of higer oil prices allowed DSM to expand production capacity to 85 per cent compared with 83 per cent in 1978. Higher interest and tax charges trimmed the net result, however.

DSM's non-bulk chemical activities now account for about 15 per cent of turnover and the trend remains upwards. To speed up this diversification DSM hopes to take over a major company or companies in related fields. It is "looking at" candidates in the Netherlands and abroad.

While last year's result was better than expected a company of DSM's size should be making a net profit of Fl 300 to Fl 400m, said Mr. Bogers. He hopes to achieve reasonable profit levels in three to four years when newly-installed capacity is fully run-in.

DSM is concentrating on speciality chemicals aimed at specific market segments. However, more can be achieved b[y] "quality improvements in pr[o]ducts and processes than b[y] spectacular breakthroughs." The company is also makin[g] energy saving improvemen[ts] and plans to replace expensiv[e] naphtha as a feedstock wi[th] LPG and oil with coal as a fue[l].

● Rodanco has raised its sta[ke] in European Property Inves[t]ment Co (EUPIC) to over [..] per cent by purchasing shar[es] representing around 30 per ce[nt] of EUPIC's capital at Fl150 pe[r] share. Rodanco, which is th[e] property fund of the Robe[co] group, is discussing taking ov[er] other EUPIC shareholder[s'] shares at the same price.

EUPIC has nominal capi[tal] of Fl1.2m in Fl100 share[s]. Recent bourse quotations stoo[d] at around Fl150.

Maltese cargo line in the red

By Godfrey Grima in Valetta

SEA MALTA, the island's state controlled cargo carrier, continues to wallow in rough waters with trading losses last year coming to Maltese £290.960 ($611.340), according to chairman Mr Albert Mizzi, prospects for next year are not encouraging. Stiff competition, low freight rates, fluctuating currencies and escalating costs are a constant worry.

Trading profits, after charging for operations and administration, come to Maltese £175.104 but this was eroded by depreciation and interest costs which came to Maltese £466,064. This included the loss of Maltese £29.727 made on the sale of thre ships which had been laid up since 1975. The major loses occurred on the Felixstowe and Rotterdam routes.

Cypriot bank pays more

By Our Nicosia Correspondent

BANK OF CYPRUS (Holdings), the largest banking organisation on the island, announces profits for last year amounting to Cyprus £2.3m ($7.50m) against Cyprus £1.5m in 1978. The annual meeting approved a dividend of 10 per cent, up from 7.5 per cent.

The UK subsidiaries last year showed profits amounting to nearly £979,000 compared with £315,000 in 1978.

Reduced loss from Von Roll

BY JOHN WICKS IN ZURICH

VON ROLL, the Swiss metals processing and engineering group, has substantially reduced its loss for 1979 but will again not pay a dividend.

The parent company managed to move out of the red with a net profit of SwFr 8.1m compared to a 1978 deficit of SwFr 17m. This performance has helped the group as a whole to reduce its loss to SwFr 9m, against SwFr 95m ($57m).

For the first time ever, group turnover passed the SwFr 1bn mark, rising from SwFr 882m to SwFr 1bn mark, rising from SwFr 882m to SwFr 1.02bn ($611.3m). This surpasses the previous record of SwFr 890m booked in 1974 the year in which the group last made a profit.

The board says that virtually all group companies participated in the recover. It attributes the marked improvement to the restructuring and rationalisation programme Von Roll has been carrying through since 1976.

Last year the group—whose new-order volume increased from SwFr 916m to SwFr 1bn—made 50 per cent of its turnover in steel products. A further 23 per cent was accounted for by machine-building, 15 per cent by pipes, 9 per cent by castings and the remaining 3 per cent by environmental installations.

● Consolidated profits of the SSIH watch-making group doubled to SwFr 4.2m ($2.5m) in 1979 with branded goo[ds] showing good results and th[e] distribution companies "we[nt] into the profits zone."

Once again, however, there will be no dividend. The no[n-]horological activities were "no[t] satisfactory" and the lowe[r] priced watch businesses were [in] the red.

The holding company of th[e] group lifted net profits from SwFr 1.49m to SwFr 2.86m.

In 1979 turnover of the grou[p] rose from SwFr 646m t[o] SwFr 682.3m ($396m). This [is] the highest sales figure sinc[e] 1975. SSIH's best-known for it[s] Omega and Tissot brands.

Government aid for Danish steelmaker

BY HILARY BARNES IN COPENHAGEN

THE Danish Government is proposing to inject DKr 108m ($19.04m) in the form of subordinate loan capital into Det Danske Staalvaerk, Denmark's scrap-based steel works, following losses up from DKr 56.8m to DKr 132m for 1979. Shareholders will contribute a further DKr 54m to complement the government aid, which follows on from a similar rescue package two years ago.

A sharp increase in the price of scrap steel combined with the fact that the price of semi-finished products rose only moderately was one of the main reasons for last year's large loss, to which unrealised losses of DKr 70m on currency loans and interest payments of DKr 77m also contributed.

The company's sales last year rose by 16 per cent to DKr 1.17bn. An "improved solvency ratio" is required to enable the company to refinance some of its currency loans.

The company's annual repo[rt] is critical of the way in whic[h] the European coal and ste[el] union's restrictions on the expo[rt] of scrap steel to third countrie[s] have been administered. [It] blames this for the sharp ris[e] in scrap prices in Norther[n] Europe and calls on the Danis[h] Government to see that th[e] restrictions are properly en[-]forced.

CURRENCIES, MONEY and GOLD

Pound firm

Sterling rose against most currencies yesterday on news that Saudi Arabia had increased its oil prices by $2 a barrel. Trading was fairly subdued with much of Europe closed today for Ascension Day. Dealings in London were also curtailed by disruption of the public transport system. Sterling's trade weighted index closed at 73.1, up from 72.9 on Tuesday, having stood at 72.9 in the morning and 73.0 at noon. Against the dollar it opened at $2.2825 and dipped briefly to $2.2820 before coming back to 2.2880 around noon. As the dollar recovered slightly in the afternoon, sterling slipped to $2.2860 but touched a best level of $2.2900 soon afterwards. It closed at $2.2808-2.890, a rise of 85 points.

The dollar finished slightly down from Tuesday's closing levels, but recovered from the day's lows to finish close to its best level. During the morning the dollar retained its softish undertone and showed little reaction later in the day to the news from Saudi Arabia. However it continued to drift after the opening of New York but started to recover towards the letter part of the day, suggesting that the Federal Reserve Bank may have given a marginal amount of support. However, after the close in London, trading in New York saw the dollar ease back against the D-mark and Swiss franc, while sterling was quoted at $2.2950.

In London the dollar closed at DM 1.7920 against the D-mark, compared with DM 1.7940 on Tuesday, and SwFr 1.6610 against the Swiss franc compared with SwFr 1.6650. The Japanese yen was unchanged at Y227.60. On Bank of England figures, the dollar's trade weighted index eased to 85.2 from 85.4.

D-MARK — Showing renewed strength against the dollar and within the European Monetary System, following firmer rates in Frankfurt and lower U.S. interest rates. There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt, when the dollar rose to DM 1.7914 from DM 1.7848 at Tuesday's fixing. Trading was very subdued and the U.S. unit was slightly firmer on commercial demand and some position switching after the Bundesbank announced that there were no changes in credit or monetary policies after yesterday's central council meeting. Sterling was fixed at DM 4.0920 slightly up from DM 4.085, while the Swiss franc eased to DM 1.0779 from DM 1.0797.

BELGIAN FRANC—No longer weakest member of EMS being helped by record interest rates earlier this year. Slightly easier recently, reflecting a small fall in interest rates—The Belgian franc was generally weaker yesterday in Brussels, losing ground against its EMS partners and sterling and the U.S. dollar. The dollar was fixed at BFr 28.855 compared with BFr 28.74 on Tuesday, while sterling rose to BFr 65.9625 from BFr 65.72.

ITALIAN LIRA — Erratic with the EMS, and now weakest member, having risen to the top of the system in February—The lira was mostly up against its EMS partners, but lost ground against the dollar and sterling. The latter was fixed higher at L1,928 in Milan yesterday, compared with L1,926.65 previously, while the U.S. unit rose to L842.45 from L842.05.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year. Although the situation over oil supplies remains uncertain, easier U.S. interest rates have helped the yen recover — The dollar closed at Y228.30 in Tokyo yesterday, unchanged from its opening level, but up from Tuesday's close of Y227.40. The yen may have been depressed by expectations of continued high import levels, although the actual announcement of a 67.6 per cent rise in imports over a year ago, appeared to have little impact.

THE POUND SPOT AND FORWARD

May 14	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2820-2.2900	2.2880-2.2890	1.62-1.52c pm	8.23	3.77-3.67 pm	6.50
Canada	2.6770-2.6865	2.6850-2.6860	1.00-0.90c pm	4.24	3.30-3.15 pm	4.80
Nethlnd.	4.49½-4.52½	4.51-4.52	2¼-1⅞c pm	5.98	7⅛-6⅞ pm	5.87
Belgium	65.70-66.05	65.90-66.00	8c pm-2 dis	0.54	28-15 pm	1.30
Denmark	12.78-12.84	12.81½-12.82½	1-2¼ore dis	−1.75	3½-4¾ dis	−1.29
Ireland	1.1005-1.1060	1.1025-1.1035	0.06-0.02p pm	0.43	0.28-0.23 pm	0.92
W. Ger.	4.08-4.11	4.09½-4.10¾	3½-2½pf pm	7.68	7⅞-6⅞ pm	7.16
Portugal	112.30-113.00	112.55-112.85	30c pm-20 dis	0.53	20-100 dis	−2.13
Spain	162.00-162.80	162.65-162.75	15-45c dis	−2.21	40-55 dis	−1.17
Italy	1926-1931	1927½-1928½	2½-¼lire pm	1.09	3½-1½ pm	0.52
Norway	11.21-11.25	11.23-11.24	3¾-1⅞ore pm	2.60	12¾-10½ pm	4.05
France	9.56-9.60	9.58-9.59	4¾-3¼c pm	5.32	11-10 pm	4.38
Sweden	9.63-9.68	9.66½-9.67½	3½-2½ore pm	3.72	7¾-6¾ pm	3.00
Japan	515-525	520½-521½	2.50-2.00y pm	5.18	6.25-5.75 pm	4.61
Austria	29.15-29.25	29.20-29.25	18-15gro pm	6.77	53-43 pm	6.57
Switz.	3.78-3.81	3.79¾-3.80¾	4½-3½c pm	12.62	11-16 pm	1.04

Belgian rate is for convertible francs. Financial franc 67.20-67.30. Six-month forward dollar 5.47-5.37c pm. 12-month 7.55-7.40c pm.

THE DOLLAR SPOT AND FORWARD

May 14	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2820-2.2900	2.2880-2.2890	1.62-1.52c pm	8.23	3.77-3.67 pm	6.50
Ireland†	2.0700-2.0765	2.0730-2.0760	1.57-1.47c pm	8.79	3.85-3.75 pm	7.33
Canada	1.1720-1.1736	1.1733-1.1736	0.40-0.43c dis	−4.24	0.54-0.59dis	−1.92
Nethlnd.	1.9700-1.9750	1.9720-1.9730	0.17-0.23c dis	−1.22	0.17-0.23dis	−0.40
Belgium	28.81-28.88	28.81-28.83	12-15c dis	−5.62	30-34 dis	−4.44
Denmark	5.5985-5.6165	5.6000-5.6025	4.50-5.00ore dis	−10.12	10.7-11.2dis	−7.82
W. Ger	1.7880-1.7940	1.7915-1.7925	0.05pf pm-0.05 dis	—	0.43-0.33 pm	0.85
Portugal	49.20-49.30	49.20-49.30	28-43c dis	−8.65	75-115 dis	−7.71
Spain	71.08-71.28	71.08-71.15	40-65c dis	−8.86	140-165 dis	−8.58
Italy	842.00-845.05	842.25-842.75	4½-5½lire dis	−7.12	12-13½ dis	−6.05
Norway	4.9060-4.9190	4.9110-4.9120	1.95-2.45ore dis	−5.37	2.50-3.00dis	−2.24
France	4.1840-4.1940	4.1850-4.1900	0.93-1.03c dis	−2.81	2.05-2.25dis	−2.05
Sweden	4.2150-4.2270	4.2255-4.2270	1.40-1.60ore dis	−4.26	3.40-3.60dis	−3.31
Japan	226.50-228.50	227.55-227.65	0.50-0.65y dis	−3.03	0.95-1.15dis	−1.84
Austria	12.77¼-12.79½	12.77¼-12.78¼	par-0.70gro dis	−0.33	2.75-0.25 pm	0.39
Switz.	1.6580-1.6650	1.6605-1.6615	0.58-0.48c pm	3.83	2.05-1.95 pm	4.82

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

May 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.571950	0.612691
U.S. $	13	1.30008	1.39418
Canadian $	14.17	1.53185	1.64557
Austria Sch	3¾	16.6809	17.8734
Belgian F	14	37.5299	40.3266
Danish K	10	7.34558	7.85759
D'Mark	7½	2.35214	2.50506
Guilder	10	2.57855	2.76396
French Fr.	9½	5.45541	5.86043
Lira	15	Unavail	1181.57
Yen	9	298.501	316.012
Norwgn. Kr.	9	6.42290	6.87469
Spanish Pts.	8	92.0145	99.2934
Swedish Kr.	15	5.51481	5.90610
Swiss Fr.	0	2.10712	2.32479

CURRENCY MOVEMENTS

May 14	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.1	−32.5
U.S. dollar	85.2	−8.1
Canadian dollar	80.5	−17.5
Austrian schilling	155.5	+24.0
Belgian franc	110.0	+13.2
Danish kroner	100.4	−4.7
Deutsche mark	155.1	+44.9
Swiss franc	125.8	+79.9
Guilder	120.1	+19.4
French franc	100.7	−6.2
Lira	53.4	−50.7
Yen	195.7	+20.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

May 14	£	$		£ Note Rates
Argentina Peso	4095-4115	1793-1800	Austria	28.20-29.95
Australia Dollar	2.0215-2.0235	0.8840-0.8845	Belgium	66.60-67.30
Brazil Cruzeiro	115.80-114.80	49.938-50.155	Denmark	12.74-12.81
Finland Markka	8.42½-8.47½	3.6990-0.7510	France	9.04-9.50
Greek Drachma	98.041-155.225	42.70-42.90	Germany	4.08-4.11
Hong Kong Dollar	11.18-11.20	4.8930-4.8960	Italy	1885-1940
Iran Rial	n/a	n/a	Japan	520-525
Kuwait Dinar(KD)	0.611-0.291	0.2696-0.2227	Netherlands	4.48-4.50½
Luxembourg Frc.	65.90-20.00	28.81-28.83	Norway	11.20-11.27
Malaysia Dollar	4.9725-4.9825	2.1750-1.1780	Portugal	157-112½
New Zealand Dlr.	2.3415-2.3435	1.0260-1.0240	Spain	157-164¼
Saudi Arab. Riyal	7.55-7.65	3.3225-3.3300	Sweden	9.63-9.69
Singapore Dollar	4.9375-4.9475	2.1210-9.1630	Switzerland	3.77½-3.80½
Sth. African Rand	1.8080-1.8090	0.7900-0.7905	United States	2.281-2.29
U.A.E. Dirham	8.44-8.54	3.7215-3.7230	Yugoslavia	40½-49

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3631	+1.44	+0.71	±1.53
Danish Krone	7.72336	7.84521	+1.58	+0.85	±1.64
German D-Mark	2.48208	2.50666	+5.99	+0.26	±1.125
French Franc	5.84700	5.86501	+0.31	−0.41	±1.3557
Dutch Guilder	2.74362	2.75968	+0.59	−0.14	±1.512
Irish Punt	0.668201	0.675554	+1.0	+0.37	±1.668
Italian Lira	1157.79	1179.37	+1.86	+1.84	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.289	4.103	521.0	6.595	3.803	4.515	1928.	2.686	65.85
U.S. Dollar	0.437	1.	1.795	227.7	4.166	1.662	1.973	842.6	1.173	28.82
Deutschemark	0.244	0.558	1.	127.0	2.536	0.927	1.101	470.0	0.655	16.06
Japanese Yen 1,000	1.916	4.393	7.874	1000.	18.40	7.222	2.666	3701.	5.155	190.2
French Franc 10	1.045	2.388	4.280	543.6	10.	3.957	4.715	2011.	2.802	68.81
Swiss Franc	5.253	0.602	1.075	137.0	2.531	1.	1.127	507.5	0.706	17.34
Dutch Guilder	0.221	0.507	0.909	115.4	2.123	0.842	1.	497.6	0.595	14.01
Italian Lira 1,000	0.518	1.187	9.128	275.2	4.971	1.972	2.342	1000.	1.395	34.21
Canadian Dollar	0.072	0.852	1.528	194.0	0.569	1.412	1.681	717.9	1.	24.56
Belgian Franc 100	1.516	5.470	6.221	795.0	14.53	5.766	5.842	2923.	4.072	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.90-16.00 per cent; three-months 16.35-10.45 per cent; six-months 16.35-10.45 per cent; one year 16.35-16.45 per cent.

May 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17⅛-17⅜	9-9¼	9-10	15⅞-10⅛	4-4½	8⅞-9⅛	12⅛-12¾	13-15	—	11-11½
7 days' notice	17¼-17½	9⅛-9¾	9-10	11⅛-11¼	4¼-4¾	9⅞-9⅛	12⅝-12⅞	15½-16¼	15⅝-10⅞	11⅞-12⅛
Month	17⅝-17⅞	9⅞-9⅞	13⅜-13¾	11⅞-11¼	5⅞-6	9⅛-9⅛	12⅞-12⅞	15½-17¼	9½-9⅝	19⅛-12¼
Three months	17¼-17⅜	10⅝-10⅞	12⅝-12¾	11-11¼	5⅞-6	9¾-9⅞	12¾-15	16¼-17¼	10⅞-10⅞	12¼-12½
Six months	15⅞-10⅛	11-11¼	11¾-12⅛	10⅞-11⅛	6⅛-6⅛	9⅛-9⅛	12⅞-10⅛	16-17	10⅞-11	11⅞-11⅞
One year	14⅞-15⅛	10⅞-11⅛	11¼-11⅝	10⅞-15⅞	5⅞-6⅛	9-9½	15⅛-15⅝	15¼-17½	10⅞-11⅛	15½-10¾

Long-term Eurodollar two years 11-11½ per cent; three years 11-11⅛ per cent; four years 11-11⅛ per cent; five years 11-11⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates ease

European rates were generally easier yesterday in quiet trading, ahead of today's Ascension Day holiday. In Frankfurt call money fell to 9.80 per cent from 9.90 per cent on Tuesday, while longer term rates eased by around 0.1 per cent. In Brussels interest rates continued to decline following Monday's cuts in Treasury bill rates by the Belgian National Bank. Monday's move cut rates on one-, two- and three-month Treasury bills to 16 per cent compared with 16.25 per cent. Rates were also cut last Friday and Thursday, and have been reduced several times since rates touched an all-time high at the beginning of April. Monday's announcement also included cuts in four-month Treasury bill certificates from 16.75 per cent to 16.25 per cent, and six-month Treasury bills from 17.35 per cent to 15.75 per cent. However the rate on nine-month paper was increased to 14.75 per cent from 13.60 per cent, although this has not moved since early January.

Deposit rates for the Belgian franc (commercial) were quoted at 16 per cent for one-month and 14⅝ per cent for six-month, down from 16½ per cent and 15⅜ per cent respectively. 12-month money was also easier at 13⅝ per cent against 14⅛ per cent previously.

The West German Bundesbank left its credit policies unchanged after yesterday's meeting of the central council, in line with market expectations. The Bank had previously announced that there would be no Press conference after the meeting. Any changes are usually announced at a Press conference.

UK MONEY MARKET

Small help

Bank of England Minimum Lending rate 17 per cent (since November 15, 1979)

Day to day credit was in short supply in the London money market yesterday and the authorities gave a small amount of assistance. This comprised small purchases of Treasury bills and local authority bills, direct from discount houses. The market was faced with the unwinding of a previous sale and repurchase agreement involving a large number of eligible bank bills and bills, and the repayment of Tuesday's moderate loans. There was also a small net take up of Treasury bills to finance. On the other hand banks brought forward balances a small way above target and Government disbursements exceeded revenue transfers to the Exchequer by a large amount. There was also the redemption of the 9½ per cent Treasury stock. Discount houses were paying up to 17 per cent for secured call loans early on, but later balances were taken as low as 16 per cent.

In the interbank market overnight money opened at 17¼-17½ per cent and slipped to 17 per cent, before the forecast of only a small shortage saw trading down to 16¼-16½ per cent. During the afternoon rates firmed to 16¾-17 per cent with closing balances taken up to 18 per cent.

Rates in the table below are nominal in some cases.

GOLD

Firmer trend

Gold rose $13 an ounce in the London bullion market yesterday to close at $525-528. Trading was fairly thin during the morning when the metal was fixed at $518.50. News that Saudi Arabia had increased its oil prices helped gold improve at the afternoon fixing to $525.0 where it stayed until the close. Earlier the metal had opened at $517-522.

In Paris gold was fixed at $538.90 at the only fixing of the day, compared with $536.52 an ounce on Tuesday.

In Zurich the metal finished at $523-528 against $510-515 previously.

	May 14		May 13	
Gold Bullion (fine ounce)				
Close	$523-528	(£228½-230¾)	$510-515	(£220½-226)
Opening	$517-522	(£225-228.1)	$508-513	(£222-224½)
Morning fixing	$512.55	(£226.557)	$515	(£222.873)
Afternoon fixing	$525	(£229.307)	$512	(£224.146)
Gold Coins				
Krugerrand	$538-543	(£235-237½)	$529-532	(£230½-232½)
Mapleleaf	$530-545	(£231½-235¾)	$520-530	(£227-230)
New Sovereigns	$132-156¾	(£57¾-09¾)	$151-152	(£57½-58)
King Sovs	$140¾-146¼	(£61½-63½)	$152-156	(£56-59)
Victoria Sovs	$143-147½	(£62½-64½)	$152-156	(£56-69)
French 20s	$107-141		$137-142	
50 pesos Mexico	$653-652		$634-640	
100 Cor. Austria	$517-522		$504-510	
$20 Eagles	$633-637		$630-635	
$10 Eagles	—		—	
$5 Eagles	—		—	

LONDON MONEY RATES

May 14 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	16¼-18	—	—	—	17	16-17	—	—	—
2 days notice	—	—	17⅛-17½	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅛-17¼	17½-17⅝	—	17½	17⅛	16¾-17	—	—	—
One month	17⅛-17⅛	17⅛-17¼	17¼-17⅝	18½-18⅛	17½	17⅝	16⅞	15⅞-16	17⅛	17⅞
Two months	17⅛-17⅛	17⅛-17⅛	—	17¾-17⅞	17½	—	16½-16⅝	16⅛	17⅛	17½
Three months	17⅛-18⅞	17-17½	17-17⅛	17¼-16⅞	17⅜	17⅛	16¼-16⅜	16⅛-15⅛	16¾	17
Six months	16-16⅞	15⅞-16⅛	16	16⅛-16¾	16¼	16⅝	—	—	15	16⅝
Nine months	15⅞-15⅛	15½-15½	—	16½-16¾	15¾	16⅝	—	—	—	—
One Year	14⅞-14⅞	14¾-14⅞	15⅞-16½	16½-15¼	16¼	16⅝	—	—	—	—
Two years	—	—	15-15⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14¾-15⅛ per cent; four years 14½-14⅞ per cent; five years 14½-14⅞ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15⅞ per cent; two-months 15⅞-15⅞ per cent; three-months 15⅞ per cent. Approximate selling rates for one-month bank bills 17⅛ per cent; two-months 17⅛ per cent; three-months 16⅞ per cent; one-month trade bills 17⅞ per cent; two-months 17⅞ per cent; and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1475 per cent.

MONEY RATES

NEW YORK	
Prime Rate	16½-17½
Fed. Funds	10¾-11
Treasury Bills (13-week)	8.25
Treasury Bills (26-week)	8.39
GERMANY	
Discount Rate	7.5
Overnight Rate	9.80
One month	10.075
Three months	10.20
Six months	9.95
FRANCE	
Discount Rate	9.5
Overnight Rate	12.875
One month	12.625
Three months	12.6875
Six months	12.6875
JAPAN	
Discount Rate	9
Call (Unconditional)	12.375
Bills Discount (three-month)	13.90625

WORLD STOCK MARKETS

NEW YORK

Dow higher in heavy trade

STOCKS were broadly higher on Wall Street in heavy trading at 1 pm yesterday, but Blue Chips were losing ground slowly.

The market opened on a firm note, extending Tuesday's strong rally.

Investors believe the interest rate slide has yet to run its course although the pace may moderate.

The market advance was not deterred by news that Saudi Arabia raised oil prices across the board by $2 a barrel. The increase was anticipated and is thought a moderate one.

The Dow Jones Industrial Average rose 4.01 points to 820.90 at 1 pm yesterday. Advances led declines three-to-one. The NYSE All Common Index was up 0.41 to 60.95 on a volume of 29.86m shares.

Among the four U.S. partners in Aramco, the company that handles Saudi production, Exxon gained ½ to $60¾ and Standard Oil of California ¼ to $66½. Texaco eased ⅛ to $33¼ and Mobil ¼ to $67½.

Tosco advanced 1⅞ to $22½. It holds 40 per cent of the Colony Oil shale project in Colorado. Atlantic Richfield, which rose ¾ to $87⅛, plans to sell its 60 per cent Colony stake to Exxon for up to $400m.

Computervision climbed 3½ to $46. It agreed to sell its cobalt division to North American Philips for undisclosed terms. Diamond International added one to $39. Cavenham began a tender offer for Diamond at $45, a share of $40 if Diamond's Brooks-Scanlon take-over proceeds.

Southern Pacific rose 2¼ to $38¾. It said yesterday it is in merger talks with another transportation company. Motors showed little change despite news of lower early May car sales. Ford Motor tacked on ¼ to $24¼ but Chrysler eased ⅛ to $6⅞ while General Motors was unchanged at $44⅛.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index closed 2.30 higher at 253.72 on volume of 2.2m shares. Oils led the advance. Volume leader Crown Central Petroleum "A" rose ⅞ to $21⅞. Houston Oil ⅞ to $21⅞, Imperial Oil "A" ⅞ to $31⅞, Dome Petroleum $1 to $55⅝ and Gulf Canada ⅞ to $124⅞. Driver-Harris rose 2⅛ to $16⅞ and Shrenreich Photo $1⅛ to $11⅛.

Canada

Markets remained sharply higher in active trading.

The Toronto composite index climbed 23.1 points to 1,853.6 and all 14 sub-indices advanced. Gains led losses by more than three-to-one.

Oil and Gas shares led prices upward as Aquitaine Canada rose C$2⅞ to C$52, Dome Petroleum 2 to C$69⅛, Bow Valley 1½ to C$44 and Shell Canada ⅞ to C$29⅞. BP Canada gained ⅞ to C$39⅞ and Gulf Canada ⅞ to C$29⅞.

Germany

Prices slackened slightly from yesterday's opening to close mixed on Tuesday's final prices.

There was light trading with the market winding down before today's Ascension Day holiday. The Commerzbank Index retreated 3.70 to 706.10.

Banks posted the only clear sector-wide movement, receding an average DM 2 after posting solid gains in recent days.

Commerzbank suffered the sharpest decline losing DM 2.50, while Bayerische Vereinsbank eased DM 2.30 and Bayerische Hypothekenbank lost DM 2.00.

All other sectors were narrowly mixed in patternless results spotted by both exceptional gains and losses.

Daimler-Benz, for example, lost DM 4.40 which dealers felt was a technical reaction to sharp gains in recent days. Elsewhere among Motors, Volkswagen gained a 80 pfennigs and BMW added 50 pfennigs.

Other losses included Thyssen-Industrie, down DM 2.50, and Neckermann, off DM 1.50, while Deutsche Babcock gained DM 2.50 and Degussa added DM 2.00.

At the options table prices were steady on slightly higher turnover.

On the Domestic Bond Market public authority loans firmed by up to 0.65 pfennigs and the Bundesbank sold DM 23m net of paper after sales of DM 36.7m on Tuesday.

Mark Eurobonds were firm.

Amsterdam

Royal Dutch Shell shares registered a considerable price increase in the wake of reports about a huge natural gas find in the North Sea off Norway. This set the trend for generally higher prices on a moderate in Amsterdam yesterday.

Bonds rose an average 30 cents to 40 cents in active trade, brokers said.

The ANP-CBS General Stock Index rose 1.4 to 83.0. Among a total of 239 Dutch issues traded, 125 advanced 53 declined and 61 were steady.

The index for Holland's international shares picked up 2.5 to 74.9, mainly on the strength of Royal Dutch's firm increase.

Brokers said the reports of the gas find combined with a better trend at Wall Street to create a heavy demand for the company's sharkes. They were quoted at a peake of Fl 164.50, Fl 11.10 during Wednesday's session. The other internationals were steady to marginally higher.

Johannesburg

Gold shares and mining financials rose sharply towards the close in increased volume business with the higher bullion price boosting sentiment.

Producer gains ranged to R1.75 cents in the case of Vaal Reefs at R60, while Southvaal rose R1.5 to R2,200 and Kloof R1 to R30.5. In Financials, Goldfields gained R2.25 to R74 and Amgold R2 to R8,550. De Beers firmed R23 to R98.

Platinums, Coppers, Collieries and Industrials firmed ahead of today's holiday with industrial gains outnumbering losses by about three to one.

Zurich

The Zurich Stock Market closed on a firm note on small turnover.

No clear trend emerged, dealers felt the market amplified changes in some spots because of the narrowness.

Gains exceeded declines 55 to 31 and 21 issues were unchanged. A total of 233 transactions were registered.

The Swiss Credit Bank Stock Index lost 0.1 point to 287.8. Banks and Industrials were narrowly mixed. Financials and Insurances were firmer.

Milan

Governing operations and support action by banks and holding companies sent most prices higher on the Milan stock market after two straight downward sessions.

The day index gained 0.67 per cent.

The market rally, in active trading, was led by those issues which were under heavy speculative pressure in the previous days such as Italcementi, Italmobiliare, Pirelli Spa and Montedison.

Brokers agreed that forthcoming settlements, scheduled for tomorrow, gave impulse to demand.

Ciga, Centrale and a number of insurance issues also were among the day's big gains.

Brussels

Shares ended yesterday in a better trend, with Belgian issues closing mixed to lower and foreign shares in the uptrend in moderate trading.

The opening index stood at 145.48 up from 143.83 at Tuesday's close.

At the last trading day of the week, oil issues boomed, with Petrofina gaining 170 points to 5,380.

Steel stocks closed with ups and downs.

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NORWAY

SWEDEN

SWITZERLAND

HONG KONG

SINGAPORE

SOUTH AFRICA

JAPAN

BRAZIL

Financial Rand U.S.$0.94¼ (Discount of 25¼%)

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

COMMODITIES AND AGRICULTURE

Banana pact sought

Financial Times Reporter

ROME — Plans of some banana-exporting countries to expand production quickly over the next five years could lead to a widening gap between export availabilities and import requirements, the Intergovernmental Group on Bananas of the Food and Agriculture Organisation of the United Nations (FAO) says.

The group, in a recent meeting, also continued its long-term afforts to define the elements of a possible international banana agreement. A working party of the group bas met regularly at FAO since 1975 to shape a draft agreement including some form of supply management such as export quotas.

Exporting countries bave not as yet found a commonly acceptable basis for an agreement, with some exporters favouring efforts to expand consumption and reduce trade barriars. The Banana Group agreed to keep the possibility of achieving an international banana agreement under continuous review.

FAO projections, based on 1978 statistics, showed that planned increases in productivity and plantings could raise world outpnt by 3-4 per cent yearly up to 1985. Bnt imports were expected to grow by only 2.7 per cent yearly.

Projected export supplies could reach 9.1m to 9.6m tons, compared with import demand by 1985 of 8.3m tons. Thus e theoretical surplus of between 750,000 tons and 1.3m tons was indicated.

Top among more than 40 banana exporting countries are Ecuador, Costa Rica, Honduras, the Philippines and Panama. The U.S., Japan and Western Europe accounted for four-fifths of estimated 1979 imports of about 7m tons.

While the potential oversupply might induce some prodocers to delay expansion, an FAO paper noted that rising production was the by-product of many producers' efforts to offset spiralling production costs and the declining worth of export earnings in the face of inflation by increasing yields.

The banana group thus expressed strong concern that a widening gap between export availabilities and import requirements could depress banana prices, which some producing coutries considered already unremunerative.

EEC imposes levy as world sugar prices rise

BY RICHARD MOONEY

RISING WORLD sugar prices have reversed, for the time being at least, the situation in which disposing of surplus production has been a big drain on EEC resources.

At yesterday's weekly tender the EEC charged a levy on sugar exports which had previously bes nattracting substantial subsidies. The Commission granted licenses for the export of 4,650 tonnes of white sugar with a minimum levy of 6.251 European Currency Units (about £3.50) per 100 kilos. Last year subsidies on sugar exports cost the EEC £475m—7 per cent of all farm spending.

The new situation results from the fact that the recent upsurge has taken world sugar prices above the EEC level, so a levy is now required to bridge the gap instead of a subsidy, as was the case when the world price was below the EEC's.

Meanwhile the price rise continued. An £8.55 advance yesterday took the August position on the London futures market to £363.25 a tonne, up nearly £100 from a week earlier, and the highest level for more than five years. Dealers hav eattributed the advance to deteriorating crop prospects for the current season, particularly in Cuba, and strong physical demand on the world market.

An official estimate published this week put the Cuban crop at 6.7m tonnes compared: with about 8m last season. The cutback is due mainly to disease problems.

Some dealers have expressed doubts, bowever, about the strength of demand. The hoped-for offtake of refined sugar based on huying tenders held or announced in recent weeks has not yet meterialised and total purchases are likely to be much lower than had been anticipated, they said.

As a result, tradera will hold more physical sugar at tha end of this week than they bad expected and this could lead to some bedge selling, the dealers said.

All offers were rejeceted at Pakistan's buying tender on Tuesday and yesterday's scheduled Uganda tender was cancelled.

Nevertheless market sentimnet remains basically "bullisb" especially in the long term. Analysts comments published recently haveall confidently predicted higher prices.

The Russian crop is expected to be lower than usual and India, normally an exporter, has been forced to buy on the world market hecause drought hae hit the crop there.

With many other countries experiencing production problems, output in the coming year is expected to fall short of world demand. This is in contrast to the heavy surplusses and rising stocks which bave depressed sugar prices in recent years.

U.S. copper industry strike threat

BY NANCY DUNNE IN WASHINGTON

THE U.S. copper indnstry, which bas suffered strikes during every renegotiation of labour contracts since 1967, is once again expecting a possible strika wben current contracts expire on June 30.

Although the industry says both sides are presently negotiating harmoniously in New Mexico, Arizona and Denver, there is a widespread feeling that the prodncers, facing a slump in demand, would not much mind a strike this year.

Unions are reportedly asking for a 30 per cent to 40 per cent increase over the next three years, in a package which includes both pay rises and cost-of-living adjustments.

"When prices go down, the possibility of a strike goes up," says Robin Kerney, non-ferrous editor of American Metal Market. Copper prices have tumbled from a record bigh bere of over $1.40 per pound in February to below 90 cents now.

If the price drops below 80 cents a pound, prodncers will prefer a strike, it has been predicted.

Although producers will make no public comment abont the progress of negotiationa, they do acknowledge the possibilities of a atrike, Mr. Thomas D. Barrow, chairman and chief executive of five of Kennecott Copper, told stockholders that copper prices, which were the primary reason for making 1979 the company's best year since 1974, "can be volatile in the short run with relatively low user inventories and a possibility of a strike this summer."

Although first quarter profits tripled this year for the main copper companies when prices, following gold and silver, soared, the industry is now beginning to feel the first effects of recession. Sagging sales for houses and cars have led copper fabricators to reduce stocks by selling it back on the market.

With consumer stocks at a low level and producer inventories "reasonable," the result of a lengthy strike could be explosive.

"Because we expect a slump in demand for copper in 1980 resulting in a situation of excess market supply, the copper companies will likely offer a low settlement, which conld result in a period of extended work stoppage," says Mr. Mike Paulenoff, a copper specialist at Schnittker Associates, economic consultants.

A strike of 60 to 90 days or longer will severely curtail U.S. copper production in third and fourth quarters of this year, be noted.

Mr. Paulenoff says overall production may decline by 35 per cent during the second half of the year, leaving total U.S. production in 1980 between 1.4m and 1.6m tonnes, approximately 25 per cent less than tha nearly 2m tonnes produced last year.

Should a settlement occur, the prospect of surplus supplies and low prices will force many big companies to cut back production, according to Mr. Pauleooff.

Fish imports protection 'not enough'

By Our Commodities Staff

THE BRITISH fishing industry la disappointed at the Government's response to its pleas for protection against cut-priced fish imports from the Continent.

Industry leaders had talks with Mr. Peter Walker, the Agriculture and Fisheries Minister, and Mr. Alick Bnchanan-Smith, Minister of State, on Tuesday evening at which they called for import levies to cancel ont the price disadvantage they are suffering. They told the Ministers that depressed quayside fish prices were destroying the industry.

But Mr. Walker was able to offer them no bope of leyies against imports from other EEC countries, though he said the EEC fisheries commissioner, Mr. Finn Gundelach, who he met in London earlier in the day, had agreed to increase fish reference prices and to review tariff arangements with third countries.

Drought hits Welsh farm output

By Robin Reeves, Welsh Correspondent

THE PROLONGED dry weather in Wales—there has been virtually no rain for eeven weeks—is beginning to affect Welsh farm output.

According to the Farmers' Union of Wales, the continuous dry weathar has affected grazing to such an extent that farmers are having to turn livestock on to pastures reserved for this season's bay barvest.

Welsh dairy farmers are also reporting rapidiy declining milk yields. Poor grass growth, allied to extended feeding requirements, is already jeopardising fodder supplies.

Very few farmers have been able to get early cuts of silage and in areas like Anglesey, cereal growth has been seriously retarded.

The concern of the industry will be conveyed to Mr. Nicholas Edwards, the Welsh Secretary of State, in Aberystwyth tomorrow where the minister is due to address tha FUW's annual meeting.

Among other topics to be debated are a resolution calling for withdrawal from the Common Market and a demand for more effective livestock marketing arrangemeots.

AUSTRALIAN DRIED FRUIT

Maintaining a share of a shrinking market

BY A CORRESPONDENT

WITH THE first shipment for the season of Australian dried fruit reaching Tilbury last week, the Australian dried fruits industry, which once had the UK market almost to itself, will have reason for soma anxiety.

Producers in Australie earlier this year barvested what promises to be the biggest crop of grapes for at least a decade. Greece and Turkey, their main rivals, were holding carry-over stock amounting to 10 times the tonnage Anstralie sold Britain last year. And a poll commissioned by international producers was about to confirm that dried fruits consumption in Britain was shrinking and would continue to do so.

Last eeason's prices of between £850 and £900 a tonne bad been propped up by a shortfall of eome 65,000 short tons in the crop of Californian seedless raisins, but a record harvest of 260,000 tons was threatened from that source.

With inflation taken into acconnt, the level of about £900 a tonne at which Turkey and Greece pitched their prices did not seem unrealistic.

But the southern hemisphere producere bave always liked action at the start of a season, and mede opening offers last March of around £825 a tonne on the quay. The impact has been such that Australia bas already sold some 12,000 tonnes of a harvest that looks like totalling 80,000 tonnes, with South African sales correspondingly higher.

Australia's sales to the UK, once steady at 20,000 to 25,000 tonnas a year, bad by last season fallen to around 4,500 tonnes. South Africa's also declined.

When Australia and South Africa hegan selling Greece beld about 30,000 tons of dried fruit and Turkey 15,000 tons. Both countries have since lowered their rates to less ambitious levels, and this hes served to clear most of Turkey's atocks, though leaving Greece with some on hand.

The southern producers' gambit would not have succeeded so decisively had quality not been on their side, especially in Australia's case. Whereas last year's grop was predominantly of one- and two-crown grade, this season's has risen to four- and five-crown, and is what the trade terms es "free-flowing." Buyers were quick to ehow their appreciation.

"It is not a return to price war," saye Chris Green, manager of Australia Dried Fruits (Europe), referring to the years wben the main producers kept setting minimum prices only for certain signatories to contravene the agreements that formalised them. "It la rather an attempt to stabilise supply and demand."

Australia's marketing success comes at a time when concern bad been growing over the 3 per cent EEC duty it must pay but which Greece and Turkey, as "poor nations," do not — and which, it is feared, could go higher when Greece actually joins the community.

Optimists argue that there will always he e place for Australian dried fruit even in a British market that is slowly but surely declining. Their hopes rest in part on the quality for which the fruit, particularly sultanas, is ronowned. They also presuppose the product's competitiveness in terms of the consumer's willingness to buy it in preference to quite different alternative foods.

Producers have generally been more or less satisfied with returns in recent years although there ere hopes for expanding sales in Comecon countries, such prospects are inclined to be long-term, and EEC and other outlets must meanwhile be nursed.

The cheirman of the UK Netionel Dried Fruits Trade Association the other day warned producers not to jeopardise consumption by letting prices get too high, reminding them that a wave of sales-resistance last October and November left ahops holding large etocks of dried fruit that had bean hult up for Christmas. These stocks have only recently been reduced.

He called for moderation and etability. The present state of the merket suggests that be has got them.

Commission cleared of elm disease charge

BY OUR COMMODITIES STAFF

THE PARLIAMENTARY Ombudsman has cleared the Forestry Commission of maladministration, causing the spread of Dutcb elm disease into Scotland.

Ombudsman Mr. Cecil Clothier, QC, rejected the claim by a woodland manager and landowner that the commission was to blame. The Commissioo had been accused of doing too little too late and relying too mucb on help from local authorities to fell infected trees, cootrol elm timber movement and monitor sucb movement.

Mr. Clothier said, "when a natural disaster like Dutch elm diseese threatens or occurs, it is really up to the individuals at risk and the nation as a whola to decide what proportioo of their total resources should be diverted from other purposes to that of trying, often with less than certain bope of ultimate success, to avert or mitigate the dangers feared. "It is not enoogb to turn instead oo administrators aod expect them solely through administrative action, to bave been able to prevent the happening of the disaster at all."

UK cocoa grindings down

UK COCOA bean grindings in the first quarter of this year totalled 15,500 tonnes, down 12.4 per eent from the same quarter last year.

The figures, which has been delayed because some manufacturers bave ben late in sending in their returns, completes the demand picture for the main importing countries.

A month ago the U.S. figure was published showing a 17.5 per cent fall.

The London July futures price fell £20 yesterday to £1,185 a tonne—its lowest level since July 1976—in response to a report that Ivory Coast cocoa was being offered for sale.

U.S. dissents from jute body

THE U.S. is not convinced that creation of an independent international jnte organisation is necessary but has agreed to go along with further negotlations under pressure from jute producing countries and some consumer countries.

An expert-elevel meeting on jute market problems decided here last week that the United Nations Conference on Trade and Development (UNCTAD) should call a diplomatic negotiating conference later this year to discuss creation of such an organisation. The date for the conference has not yet been fixed.

Expressing dissent from the decision, the U.S. delegate said eo many differences remained among producers and consumers that the conference is likely to be "protracted and the outcome very uncertain."

The Common Market, while not opposing the decision, carefully stated its conditions for taking part in the negotiations, namely, that both financing and voting would be shared equally among producers and consumers and that any activities undertaken by the new organisation would centre strictly on jute as a commodity.

The U.S. also stated that the organisation should only evaluate and co-ordinate projects and act as a channel for funds, without becoming directly involved in the actual implementation of projects.

Developing country producers of jute have long songbt creation of an international jute organisation as a first step towards a binding commodity agreement aimed at stabilising world jute prices on a rising trend.

Some developing countries, such as Pakistan, which are large consumers of jute are worried that they too might end up having to pay more for their jute imports as a result of an international commodity agreement.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Marginally firmer on the London Metal Exchange. Forward metal opened around £925 but fell away to touch £918 in the rings following light trade selling and the absence of any significant demand. However, the price picked up over the lunchtime period ahead of the New York opening with three months trading at £927. Thereafter light profit-taking was reported and this depressed the price to £920.5 on the late kerb. Turnover 13,425 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	891-2	+4.5	897-9	+4
3 months	915-.0	+5.75	922-3	+5.25
Settlem't	892	+4	—	......
Cathodes				
Cash	874-5	+5	882-4	+4
3 months	895-6	+2	902-4	+2.5
Settlem't	875	+5	—	......
U.S. Prod.	—	......	*90-96.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £890, 91, three months £925, 23, 23.5, 23, 22.5, 22, 25, 21, 20, 18, 19, 17, 16, 16.5. Cathodes, cash £874, three months £896. Kerb: Wirebars, three months £918, 19, 19.5. Afternoon: Wirebars, three months £925, 24, 23, 24, 24.5, 24, 25, 24, 22, 22.5, 23, 22. Kerb: Wirebars, three months £922, 22.5, 23, 22, 21.

TIN—Slightly higher after a day of quiet and routine trading. Covering against overnight U.S. physical interest saw forward metal move up £7,480 on the pre-market before reacting to £7,445 in the rings in the wake of hedge selling. During the afternoon the market held steady around £7,450 before closing the late kerb at £7,440. Turnover 1,405 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7490-500	+27.5	7485-92	+37.5
3 months	7440-60	+20	7450-75	+56
Settlem't	7500	+20	—	......
Standard				
Cash	7480-90	+25	7485-95	+40
3 months	7440-5	+45	7455-60	+27.5
Settlem't	7490	+25	—	......
Straits E.	$2208	+9	—	......
New York	—	......	—	......

Morning: Standard, cash £7,490, three months £7,480, 80, 70, 50, 40. High Grade, cash £7,490. Kerb: Standard, three months £7,450, 60. Afternoon: Standard, three months £7,460. Kerb: Standard, three months £7,450, 56, 40.

LEAD—Marginally firmer in subdued trading, with the market tending to hold steady along with copper. Forward metal traded around the £348 level on the pre-market but eased fractionally to end the day at £344.5. Turnover 8,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	333-4	+1	336-8	+3
3 months	348-.5	+3	345-7	+4.25
S'ment	334	+1	—	......
U.S. Spot	—	......	*66.40	......

Morning: Cash £333, 35, 33, 34, three months £343, 42, 41, 42, 43. Kerb: Cash £335, three months £345. Afternoon: Three months £348, 47, 48. Kerb: Three months £348, 47, 46, 45.

ZINC—Gained ground in generally quiet trading reflecting the modest rises in other metals. Forward metal opened at £310.5 and gradually moved ahead to close the late kerb at £315. Turnover 5,875 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	301-.3	+7.8	303-5	+3
3 months	312.5-4	+5.25	315.5-6.5	+6.25
S'ment	302	+7	—	......
Primw'ts	—	......	*37.5	......

Morning: Cash £300, three months £310, 09, 09.5, 10, 11, 12, 13, 14, 13.5. Kerb: Three months £314. Afternoon: Three months £317, 16, 15, 14, 13.8, 13, 14, 15, 18. Three months £318, 19, 17, 15, 13, 12, 13, 15.

ALUMINIUM—Barely changed. After trading at £784 on the pre-market forward metal fell away to £774, reflecting lack of interest and modest profit-taking. The strength of copper around midday prompted a rally to £779, at which level the market closed the later kerb. Turnover 3,950 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	760-.5	-1	791-2	+7.5
3 months	773-4	+4.5	779-80	+8

Morning: Cash £790, three months £782, 81, 80, 77, 78, 77.5, 77, 76, 74. Kerb: Three months £774, 73. Afternoon: Three months £779, 78, 79. Kerb: Three months £779, 79.8.

NICKEL—Moved narrowly between £2,700 and £2,730 prior to closing the late kerb at £2,725. Turnover 204 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2601-10	+3	2580-40	+18
3 months	2700-5	+8	2725-30	+5

Morning: Three months £2,710, 05, 20, 18, 2,700, 05, 2,700. Afternoon: Three months £2,715, 20, 25.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 436-441 (+2)

SILVER

Silver was fixed 13.0p an ounce higher for spot delivery in the London bullion market yesterday at £5.712. U.S. cent equivalents of the fixing levels were: Spot $13.095, up 32.5c; three-month $13.281, up 32.4c; six-month $13.612, up 32.6c; and 12-month $14.473, up 41.3c. The metal opened at £5.6-5.85 ($12.8-13.3) and closed at £5.7-5.95 ($13-13½).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	571.20p	+13.0	575.0p	+18
3 months	586.70p	+13.5	595.35p	+19.5
6 months	606.70p	+13.6	—	......
12 months	653.70p	+13.8	—	......

LME—Turnover 208 lots of 10,000 ounces. Morning: Cash 572, three months 592, 91, 92, 93, 92, 91, 92, 91.5. Kerb: Three months 592, 93. Afternoon: Three months 595, 94, 95, 94.5, 95, 97, 95, 94.5, 95, 95.5, 95. Kerb: Three months 597, 94.

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week so far at 353 tonnes. In view of the severely strained economic and political situation, it was scarcely surprising business failed to broaden. Only [illegible]

COCOA

Futures continued the downward movement with all positions except the near establishing life of contract lows with closing levels £20 below those of Tuesday evening, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or -	Business Done
May	1180-12	—7.5	1185-78
July	1185-86	—20.0	1200-1184
Sep	1192-93	—20.8	1215-1187
Dec	1240-42	—22.5	1260-38
March	1278-80	—24.0	1297-77
May	1309-10	—26.0	1310
July	1328-30	—28.5	1339-36

Sales: 4,042 lots of 10 tonnes.

COFFEE

Robustas eased slightly on light producer selling but maintained a steady tone throughout a featureless morning, reports Drexel Burnham Lambert. In the afternoon prices declined on heavy producer type selling but towards the close a dramatic turnaround by previous sellers saw values close around unchanged.

COFFEE	Yesterday's Close (£ per tonne)	+ or —	Business Done
May	1674-75	—3.5	1674-60
July	1715-95	—9.5	1730-95
Sept	1775-80	—1.0	1780-51
Nov	1830-04	+9.0	1805-79
January	1805-15	+8.0	1795-88
March	1765-75	+1.5	1764
May	1700-70	—6.2	—

Sales: 7,408 (4,027) lots of 5 tonnes.

ICS Indicator prices for May 13 (U.S. cents per pound): Other Mild Arabicas 191.33 (192.33); Robustas ICA 1976 175.25 (same). ICA 1968 175.50 (same). Unwashed Arabicas 218.00 (218.50). Comp. daily ICA 1968 1972.22 (197.56).

GRAINS

LONDON GRAIN FUTURES—New crops opened higher and after early light hedge selling values steadily moved higher on nervous short-covering with some concern over the current dry conditions. By the close, strong physical buying closed values 30 higher. Old crops remained dull on barley, while old crop wheat recovered strongly on physical demand to close 135 points higher, reports Acli.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday's close	+ or —
May	95.10	+1.35	90.90	-0.05
Sept	94.35	+0.45	91.90	+0.40
Nov	98.20	+0.45	95.10	+0.40
Jan	102.00	+0.45	98.90	+0.40
Mar	105.30	+0.50	102.15	+0.30

Business done—Wheat: May 96.00-95.00, Sept. 94.55-94.40, Nov. 98.20-97.85, Jan. 102.00-101.85, March 105.30-104.70. Sales: 155 lots of 100 tonnes. Barley: May 91.15-90.90, Sept. 92.20-91.70, Nov. 95.10-95.00, Jan. 99.00-98.80, March 102.15-102.00. Sales: 106 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, May 90.55, June 93.50, July 96.00, Aug. 98.00 transhipment East Coast. Maize: French May 117.25, June 118.25 East Coast. S. African Yellow May-June 90.00. Barley: English feed fob May 96.00, June 99.00 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 92.00, E. Midlands 92.00, N. East 91.90, Scotland 91.20. Other milling wheat: E. Midlands 95.00.

JUTE

JUTE—May-June c and f Dundee: BWC £215, BWD £186, BTB £267, BTC £230, BTD £186. Antwerp May: BWC £489, BWD £409, BTB £530, BTC £330, BTD £450. Jute goods c and f Dundee: light goods, 10-ounce £13.86, 40-inch 7.5 ounce £10.76, [illegible]

HIDES—Birmingham, May 13: Firm tendency. Second clears. Ox 31-35.5 kilos, 34p a kilo [illegible]

RUBBER

The London physical market opened slightly steadier with little interest at higher levels, closing on a dull note. Lewis and Peat reported a Malaysian godown price of 295 (292) cents kg (buyer, June).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]

Sales: 265 at 15 tonnes, 0 at 5 tonnes.

Physical closing prices (buyer) were: Spot 62.50p (60.00p); June 63.25p (63.50p); July 64.00p (64.25p).

SOYABEAN MEAL

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]

Sales: 131 (107) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £335.00 (same) a tonne cif for May-June shipment. White sugar daily price was fixed at £352.00 (£350.00).

Prices drifted in initial but soon recovered. The rally was assisted later by news that the EEC had been able to obtain a levy on sugar exports. During an extended afternoon call the August position touched £365.00 before falling back to the close, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

Sales: 8,734 (10,923) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only). Aug. 364.50, 367.00; Oct. 369.00, 370.00; Jan. 372.00, 375.00; March 374.95, 375.50; May 372.00, 374.00; Aug. 371.00, 372.00; Oct. 370.00, 371.00. Sales: 1,400 (2,119).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £428.00 (£429.00) for export.

International Sugar Agreement prices for May 13 are unavailable.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller only). Australian cents per pound. May 460.0, 480.0; July 463.0, 464.0; Oct. 465.0, 465.0; Dec. 467.5, 468.0; March 473.0, 474.0; May 476.5, 478.0; July 480.0, 480.0; Oct. 480.0, 482.0.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller only). New Zealand cents per kilo. May 365, 370; Aug. 365, Oct. 376; Dec. 379, 380; March 378, 383; May 378, 384; Aug. 380, 395.

MEAT COMMISSION—Average fatstock prices at representative markets on May 14. GB cattle 84.25p per kg lw (+1.10). UK sheep 141.7p per kg est dcw (−1.00). GB pigs 71.60p per kg lw (−0.24).

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£4.50, codlings £2.60-£3.50. Large haddock £3.30-£4.00, medium £3.50, small £2.60-£2.80. Medium plaice £4.00-£5.20, best small £2.80-£4.80. Skinned dogfish (large) £10.00, medium £4.00. Lemon soles (large) £7.00, medium £6.50. Rockfish £2.00-£2.30. Reds £2.00-£2.80. Saithe [illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	May 14 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1620/1650	+30	$1630/20
Copper cash w'bar	£892.5	+4	£941
3 mths	£922.5	+5.25	£969.25
Cash Cathode	£865	+4	£912.8
3 mths	£903	+2.5	£947.8
Gold troy oz	$515.0	+16	$497.5
Lead cash	£336.5	+3	£458.5
3 mths	£346.5	+4.25	£477
Nickel	[illegible]		[illegible]
Freemkt (cif) (lb)	289/310c		285/310c
Platin'm tr'y oz	£189-193		[illegible]
Free mkt	£255.70	+1.8	£227.85
Quicksilver	$380/400		$402/412
Silver troy oz	571.20p	+13.0	663.10p
3 months	586.70p	+13.5	689.40p
Tin Cash	£7,490	+40	£7,750
3 mths	£7,447.5	+37.5	£7,727.5
Tungsten 22.04lb	$144.50		$141.08
Wolfram 22.04lb	$143/148		$144/150
Zinc cash	£304		[illegible]
3 mths	£318		[illegible]
Producers	[illegible]		[illegible]
Oils			
Coconut (Phil)	$652.50u	+7.5	$700
Groundnut	[illegible]		[illegible]
Linseed Crude	£339	+8	£316
Palm Malayan	$585z	+5	$615
Seeds			
Copra Philip	$455		$455
Soyabean (U.S.)	$263.60v		[illegible]
Grains			
Barley Futures	£92.20	+0.40	£90.65
Maize French No3 Am	[illegible]		[illegible]
Wheat No. 1 Red Spg	[illegible]		[illegible]
No2 Hard Wint.	[illegible]		[illegible]
Eng. Milling	[illegible]		[illegible]
Other commodities			
Cocoa ship't	£1,221		[illegible]
Future July	£1,185.5	−20	[illegible]
Coffee Ft July	£1,720	−9.5	£1,681.5
Cotton A index	89.15c		81.05c
Rubber kilo	62.50p	−0.50	66.50p
Sugar (Raw)	£335		[illegible]
Wooltops 64s kilo	298p		296p kilo

u June. x June-July. y July. z Indicator. § Buyer. ¶ Per 76-lb flask.

INDICES

FINANCIAL TIMES

May 14	May 13	M'nth ago	Year ago
273.83	275.88	265.20	274.99

(Base: July 1, 1952=100)

MOODY'S

May 14	May 13	M'nth ago	Year ago
1125.7	1124.2	1169.0	1067.4

(December 31, 1931=100)

DOW JONES

Dow Jones	May 13	May 12	Month ago	Year ago
Spot	443.91	444.09	419.77	391.86
F'tur's	444.16	446.88	469.60	396.21

(Average 1924-25-26=100)

REUTERS

May 14	May 13	M'th ago	Year ago
1722.7	1720.5	1734.8	1554.0

(Base: September 18, 1931=100)

AMERICAN MARKETS

NEW YORK, May 14.

CONTINUED DELAYS in Soviet beet plantings are providing major support for sugar price advances. Precious metals closed higher on confirmed reports of an oil price rise by Saudi Arabia. Copper and cotton sold off [illegible]

Live Hogs—June 34.35-34.25 (34.12). July 36.20-36.07, Aug. 35.85-35.75, Oct. 36.20-35.80, Dec. 39.45-39.30, Feb. 42.50, April 41.60, June 44.75, July 45.20.

[illegible]

EUROPEAN MARKETS

ROTTERDAM, May 14.

[illegible]

PARIS, May 14.

[illegible]

N. Sea gas finds generate enthusiasm for buoyant Oils

Equity leaders remain quietly firm but Gilts ease

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 28	May 8	May 9	May 19
May 12	May 28	May 30	June 9
June 2	June 12	June 13	June 23

* "New time" dealings may take place from 9 am two business days earlier.

Energy-related stocks, and oil shares in particular, remained the centre of activity in London stock markets yesterday. Tuesday's big gas find by Shell in Norwegian waters of the North Sea generated early enthusiasm for most oils and the tempo increased following reports that British Petroleum had also made a gas strike on a nearby block.

Resulting sharp price gains in oils were eventually pared by a wave of profit-taking, but towards the official close a new upsurge developed on U.S. reports of a Saudi crude oil price rise of $2 a barrel. This was confirmed during the after-hours' trade, but late in the evening the market became a little toppy again and rises were again reduced, although only slightly.

U.S. influences in the shape of Wall Street's overnight firmness and the continued downturn in interest rates helped other equity sectors to maintain Tuesday's better tone. Investment interest was disappointing, however, and many leading shares edged away ...st. The strength of British Petroleum, however, enabled the FT 30-share index to retain much of an early gain of 3.3 to close 3.1 up on balance at 440.0.

Government securities initially extended the previous day's sharp upturn which had concluded with longer-dated stocks showing gains ranging to ¾; demand was mainly on foreign investment account in the wake of falling U.S. prime rates and the strong tone in sterling. The new medium tap stock, Exchequer 13¼ per cent 1992, was sold again yesterday at 20$\frac{5}{16}$, after having become operational on Tuesday at slightly lower prices, but the market became hesitant as soon as the Government broker withdrew his price of 20$\frac{5}{16}$.

Some recent buyers appeared to be having difficulty in digesting purchases and it was suspected that holdings were having to raise funds for Friday's £300m call on the partly-paid Treasury 13¼ per cent 2004-08. This tended to unsettle the market further and the longs went easier to close ½ down on the day, while early gains of $\frac{1}{16}$ among the shorts were transformed into losses of that amount awaiting today's money supply figures and tomorrow's trade returns for April.

The North Sea gas finds directed some much-needed interest towards Traded options. BP and Shell recorded 177 and 188 deals respectively to bring the day's total to 617, almost double last week's daily average of 354.

Bank of Ireland became a notable dull spot in the banking sector, falling 13 to 302p, after 298p, following the disappointing annual results. Allied Irish relinquished 5 to 103p in sympathy. Home banks drifted gently lower on lack of support with Lloyds closing 5 off at 295p and Midland, 335p, and NatWest, 325p, down 3 apiece. Discounts were inclined harder in sympathy with gilts. Awaiting today's preliminary results, Cater Ryder edged forward 2 to 335p. Allen Harvey and Ross put on 5 to 355p in a thin market.

Although Royal's first-quarter profits were nearly doubled, they failed to match the most optimistic expectations and the shares closed 5 lower at 345p.

Buildings were inclined harder in places. Blue Circle were notable for an improvement of 6 to 322p.

Norsk Hydro stood out in Chemicals with a rise of 4 points to £52 on the group's interest in the large Norwegian gas find. Elsewhere, Fisons rose 8 to 286p and Brent 6 to 150p. ICI touched 396p before closing a couple of pence harder for a two-day rise of 14 to 394p.

Booth drop

Leading Stores again displayed a quietly firm appearance and gains of a couple of pence were common to Mothercare, 242p, GUS "A," 396p, and House of Fraser, 150p. UDS shook off the effects of Tuesday's lower-than-expected preliminary earnings and closed 1½ better at 69p, but Woolworths remained unsettled by the poor first-quarter performance and eased a fraction for a two-day fall of 5½ at 57p. Among secondary issues, Polly Peck encountered profit-taking and gave up a few pence to 44p, but support was apparent for W. H. Smith, 3 up at 139p. Recently dull Kitchen Queen added a penny to 14p, but Harris Queensway shed 4 to 183p. MFI, 2 lower at 54p, remained dull following the announcement that the company's bid for Status Discount will not be referred to the Monopolies Commission. J. T. Parrish, at 100p, recovered Tuesday's fall of 10 which stemmed from the full-year loss. In Shoes, Booth International fell 6 to 34p, after 33p, following the annual deficit and passed dividend.

Racal met scattered support and put on 4 to 246p, but little else worthy of note developed in the Electrical leaders. Elsewhere, United Scientific continued to respond to the interim results and proposed one-for-one scrip issue, gaining 11 for a two-day rise of 25p to 503p. Eurotherm improved 9 to 325p. Among smaller-priced issues, Security Centres were prominent at 29p, up 4.

Crest Nicholson easier

Leading Engineers closed little altered after extremely quiet trading. Elsewhere, interest concentrated mainly on companies making trading statements. Deritend featured with a rise of 20 to 158p in response to the increased dividend and profits and proposed one-for-two scrip issue, while the improvement in the half-yearly figures left Jenks and Cattell 10 to the good at 80p. Better-than-expected interim results prompted a gain of 3 to 40p, after 43p, in Johnson Firth Brown, and West Bromwich Spring hardened a penny to 18p on satisfactory preliminary figures. Christy Bros. improved 2 more to 33p compared with the cash offer worth 30p per share.

Secondary issues continued to attract most of the interest in miscellaneous industrial leaders. Crest Nicholson gave up 4 to 100p following news of the proposed £2m rights issue, while BTR, at 381p, lost 7 of the recent good rise which followed the chairman's confident statement at the annual meeting. Nervous offerings ahead of the preliminary results due later this month left Rotaprint 4 lower at 22p, while Wilkinson Match relinquished 5 to 115p; the latter's annual figures are due next month. An unsettled market of late following Boardroom difficulties, Camrex eased to 30p before rallying to finish a net 3 higher on balance at 35p on the sharply higher preliminary profits. Reflecting the group's stake in Woodside Petroleum's $1bn North West Shelf gas project, Broken Hill Proprietary rose 15 for a two-day advance of 45 at 680p. Lesney Products, at 19p, retrieved a couple of pence of the previous day's fall of 7 which followed persistent offerings in an unwilling market. Renewed investment support lifted Sothebys 9 further to 462p, after 470p, while Christies International gained a like amount to 192p in sympathy. Low and Bonar rose 6 to 173p and AGB Research 8 to 185p.

News of the big gas discovery in the Norwegian sector of the North Sea and reports of another find in a nearby block by British Petroleum gave fresh stimulus to the Oil sector yesterday. Buying interest appeared to fade at one stage, but late news that Saudi Arabia has increased oil prices by $2 a barrel, prompted a further wave of buying activity and the majority of quotations closed only a little below the best. Overshadowed recently by the more speculative issues, Shell advanced 18 to 384p and BP 14 to 354p, while Royal Dutch advanced 2¼ to £36½. Siebens were again well to the fore with a fresh speculative gain of 79 to 947p. Aran advanced 22 to 410p and rises of around 10 were recorded in Attock, 270p, Berkeley Exploration, 210p, and Clyde, 577p. IC Gas gained 14 to 850p.

Contrasting movements in Overseas Traders were provided by Lonrho, which rose 4 to 85p following news that Mr. Tiny Rowland has increased his stake in the company, and by Thomas Borthwick, which met selling and fell 5 to 47p.

Good gains in Mines

Mining markets staged a broad advance—in sharp contrast to the previous day when prices generally gave ground on lack of interest.

Tin shares registered substantial gains following news of the proposed merger of Malayan Tin, Southern Malayan, Southern Kinta, Lower Perak, Kramat and Bidor.

Prices of all the companies involved in the proposals were suspended at their overnight levels prior to the opening of the market but other Malaysian issues attracted a flurry of speculative buying. Killinghall Tin, for instance, advanced 60 to 440p, Gopeng 40 to 375p. Petaling and Tronoh 10 apiece to 285p and 265p respectively and Berjuntai 5 to 190p.

Gold shares moved ahead as the bullion price responded to the across-the-board increase in Saudi Arabian oil prices with a $13 rise to $525.50 an ounce.

Good local and overseas buying was reported throughout the day and the Gold Mines index put on 7.3 to 298.5.

Heavyweights were featured by West Driefontein, up £1¼ to £33¾, and East Driefontein, ½ firmer at £10¾, while lower-priced issues showed Venterspost 43 better at 569p and Blyvoor 32 to the good at 656p.

Financials made good progress, buoyed by the rise in the bullion price. London Financials with oil and gas interests were additionally sustained by the fresh surge in that sector following the two new gas discoveries in the North Sea.

Tanks rose 10 to 276p. Selection Trust the same amount to 678p and Rio Tinto-Zinc 7 to 367p. Gold Fields closed 9 firmer at 469p and Charter 5 up at 150p. Silvermines put on 2 to 148p, after touching 153p on Tuesday, reflecting the near 22 per cent stake in Aran Energy.

Australians were well supported, Hampton Areas, which has a 5 per cent interest in an oil discovery on Block 18/21a in the North Sea, advanced 20 for a two-day gain of 45 to a 1980 high of 390p, while news of a Canadian gas discovery lifted Haoma Gold and North West Mining 6 apiece to 1980 highs of 53p and 50p respectively.

The Ashton joint venturers came in for speculative buying which lifted Ashton Mining 9 to 126p. Conzinc Riotinto 8 to 248p and Northern Mining 3 to 118p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	70	7	80	—	94	—	368p
BP	330	46	35	58	—	74	—	"
BP	360	28	31	40	1	56	—	"
BP	390	14	45	27	26	—	—	"
BP	420	7	12	18	—	—	—	"
Com. Union	140	6	—	12	5	15	—	135p
Cons. Gold	460	33	8	58	5	68	—	466p
Cons. Gold	500	16	9	38	—	44	—	"
Courtaulds	70	3	54	5½	6	7	1	67p
Grand Met.	120	10	—	18	18	21½	—	124p
Grand Met.	130	6	6	11	—	16½	—	"
ICI	330	74	10	83	—	93	—	394p
ICI	390	23	3	33	1	44	—	"
Land Secs.	330	19	—	38	6	50	—	686p
Land Secs.	360	7	25	20	—	33	—	"
Marks & Sp.	80	10½	—	15	1	18	—	88p
Marks & Sp.	90	4½	4	8	—	12	—	"
Shell	330	66	10	78	6	84	—	385p
Shell	360	37	68	56	3	60	6	"
Shell	390	19	39	30	12	—	—	"
Shell	420	8	30	18	22	—	—	"
Totals			408		107		6	
		May		August		November		
Imperial Gp.	80	1½	—	4	12	6	—	79p
Racal Elec.	220	27	8	38	—	48	—	246p
Racal Elec.	240	9	37	23	11	36	—	"
RTZ	360	10	36	33	2	52	—	368p
RTZ	390	2	—	20	2	37	—	"
Totals			74		27			

FINANCIAL TIMES STOCK INDICES

	May 14	May 13	May 12	May 9	May 8	May 7	A year ago
Government Secs.	67.84	68.12	67.56	67.47	67.54	67.29	73.35
Fixed Interest	67.94	67.02	67.43	67.35	67.44	67.33	75.89
Industrial	440.0	436.9	434.2	436.6	436.7	432.4	[illegible]
Gold Mines	298.5	291.2	297.1	298.3	294.8	298.3	175.4
Ord. Div. Yield	8.03	8.09	8.17	8.14	8.11	8.08	5.80
Earnings, Yld. % (full)	19.65	19.81	20.00	19.93	19.86	19.81	14.79
P/E Ratio (net) (*)	6.17	6.12	6.06	6.09	6.11	6.12	8.70
Total bargains	17,503	21,354	19,141	19,780	19,595	18,448	—
Equity turnover £m.	—	112.14	103.34	116.45	92.51	88.14	98.45
Equity bargains total	—	13,458	14,105	16,742	13,918	18,818	14,838

10 am 440.2. 11 am 440.2. Noon 440.2. 1 pm 439.8. 2 pm 439.4. 3 pm 439.5.

Latest Index 01-246 8026.

*Nil=5.78.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	68.26 (21/1)	65.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (18/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (18/2)	406.9 (5/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (25/2)	265.6 (18/3)	442.3 (22/6/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 14	May 13
—Daily		
Gilt Edged	102.6	133.0
Industrials	100.9	110.1
Speculative	24.5	24.5
Totals	73.6	80.5
5-day Av'ge.		
Gilt Edged	106.9	114.1
Industrials	106.4	103.3
Speculative	27.1	28.6
Totals	77.2	78.7

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	Tuesday Up	Tuesday Down	Tuesday Same
British Funds	7	75	6	84	5	—
Corpns. Dom. & Foreign Bonds	11	1	54	23	3	40
Industrials	233	142	1,019	318	128	986
Financial and Property	212	42	267	176	28	300
Oils	23	7	20	25	11	14
Plantations	2	2	22	6	4	17
Mines	78	14	63	37	55	89
Others	63	22	57	38	48	57
Totals	629	306	1,488	690	278	1,447

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (89)

BRITISH FUNDS (6)
Treas. 3½pc '77-80; Treas. Var. 1981; Fndg. 5½pc '78-80; Treas. Var. 1982; Exchqr. 3pc 1981; Treas. Var. 1983

CORPORATION LOANS (1)
Glasgow 9½pc '80-82

LOANS (2)
FFI 10¼pc 1986; FFI 7¼pc 1989-92

AMERICANS (3)
City Inv.; I.U. Intl.; Gillette

CANADIANS (1)
Can. Pac. 4pc Deb

BANKS (3)
Ansbacher (H.); Cater Ryder; Brown Shipley

BEERS (2)
Belmer (H. P.); Greene King

BUILDINGS (1)
Federated Land

CHEMICALS (2)
Brent Chemicals; Rentokil

STORES (1)
Milletts Leisure

ELECTRICALS (8)
Bowthorpe; Stand. Tel. & Cables; Lec Refrigeration; Telefusion; Sony; Utd. Scientific

ENGINEERING (5)
Christy Bros; Linread; Deritend; Spencer Gears; Jenks & Cattell

FOODS (3)
Avana Group; Sainsbury (J.); Matthews (B.)

INDUSTRIALS (9)
AGB Research; Hoskins & Horton; Astbury & Madeley; I.C. Industries; Brammer (H.); James (M.) Inds.; Davies & Newman; Portals; Hensher A

LEISURE (1)
Trident TV A

MOTORS (3)
Fodens; Herman Smith; Dunlop

PROPERTY (15)
Beaumont Props.; Land Investors; Berkeley Hambro; Lond. & Provl. Shop; Clarke Nickolls; Lond. Shop Prop.; Country & N. Town; Lynton Hldgs; County & District; Prop. Hldgs. & Inv.; Ests. Prop. Inv.; Rush & Tompkins; Greycoat Ests.; Trafford Park; Haslemere; U.K. Property

SHOES (1)
Hiltons

TEXTILES (1)
Sidlaw Inds.

TRUSTS (8)
Ailsa Inv.; Viking Resources; Claverhouse; Mercantile House; Dualvest Capital; Park Place Inv.; Triplevest Capital; Pearson (S.)

OIL & GAS (7)
Aran Energy; Clyde Petroleum; Attock; Imp. Cont. Gas; Berkeley Explrtn.; LASMO; Century

OVERSEAS TRADERS (1)
Finlay (J.)

MINES (6)
Hampton Areas; Berjuntai; Haoma Gold; Gopeng Cons.; North West Mining; Killinghall

NEW LOWS (32)

AMERICANS (1)
Amax

BANKS (2)
Allied Irish; Bank Ireland

BUILDINGS (1)
Arrow Chemicals

STORES (4)
Home Charm; Pullman (R. & J.); MFI Furniture; Woolworth

ENGINEERING (2)
Carclo Eng.; Mofns

INDUSTRIALS (9)
Amal. Metal; Stonehill Hldgs.; Diamond Styles; Swedish Match; Hargreaves; Wilkinson Match; Macarthys Pharm.; Wood Hall; Rotaprint

LEISURE (1)
Black & Edgington

MOTORS (1)
Jessups

NEWSPAPERS (1)
Routledge Kegan Paul

PAPER (1)
BPC

SHIPPING (1)
Mersey Dock Units

SHOES (2)
Booth (Intl.); Ward White

TEXTILES (1)
Beckman (A.)

OVERSEAS TRADERS (1)
Borthwick (T.)

TEAS (1)
Lawrie Plants

MINES (2)
Coronation; South Crofty

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979 based on Tuesday, May 13

Hire Purchase	+26.15	All-Share Index	+ 9.80
Property	+25.71	Industrial Group	+ 9.06
Electronics, Radio and TV	+21.35	500-Share Index	+ 6.71
Shipping	+18.25	Newspapers and Publishing	+ 8.45
Merchant Banks	+18.06	Gold Mines FT	+ 8.41
Contracting and Construction	+17.49	Insurance (Composite)	+ 7.79
Insurance (Life)	+16.33	Building Materials	+ 7.72
Overseas Traders	+14.45	Oils	+ 7.40
Consumer Goods (Durable) Group	+13.70	Entertainment and Catering	+ 7.07
Mining Finance	+13.53	Consumer Goods (Non-Durable) Group	+ 6.81
Packaging and Paper	+13.13	Mechanical Engineering	+ 5.32
Investment Trusts	+13.08	Office Equipment	+ 4.86
Chemicals	+12.96	Food Retailing	+ 3.27
Electricals	+12.81	Tobaccos	+ 2.28
Metal and Metal Forming	+12.54	Food Manufacturing	+ 1.94
Stores	+11.31	Wines and Spirits	+ 1.19
Discount Houses	+11.27	Motors and Distributors	+ 1.06
Breweries	+11.14	Textiles	+ 0.64
Financial Group	+10.99	Banks	− 2.30
Capital Goods Group	+10.94	Engineering Contractors	− 4.73
Insurance Brokers	+10.74	Pharmaceutical Products	− 5.04
Other Groups	+ 9.85	Household Goods	− 8.72
		Toys and Games	−42.32

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., May 14, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., May 13 Index No.	Mon., May 12 Index No.	Fri., May 9 Index No.	Thur., May 8 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	237.15	+0.2	18.61	6.75	6.67	236.76	235.82	237.46	238.62	279.12
2	Building Materials (28)	232.83	—	18.39	6.99	6.71	232.86	231.51	233.48	235.37	261.30
3	Contracting, Construction (27)	351.68	+0.5	26.31	6.87	4.56	349.80	348.45	351.78	351.91	430.50
4	Electricals (16)	620.37	—	13.49	4.07	9.62	620.07	620.55	624.72	629.75	681.35
5	Engineering Contractors (11)	274.82	+0.3	24.56	9.43	5.22	274.07	271.75	278.65	278.89	413.00
6	Mechanical Engineering (74)	159.75	+0.3	21.02	8.19	5.82	159.24	158.02	158.11	158.28	204.88
8	Metals and Metal Forming (16)	163.36	+0.2	21.01	10.00	5.77	163.07	162.19	164.85	164.47	186.47
11	CONSUMER GOODS (DURABLE) (49)	218.31	+0.8	15.14	5.85	8.09	216.48	214.50	215.94	216.79	254.28
12	Lt. Electronics, Radio, TV (14)	313.35	+0.8	11.76	4.24	10.86	310.81	307.32	320.56	312.25	346.90
13	Household Goods (14)	106.30	—	27.80	10.44	4.24	106.25	105.13	105.83	106.87	176.94
14	Motors and Distributors (21)	105.88	+1.1	21.92	9.41	5.32	104.72	104.40	103.99	103.82	130.15
21	CONSUMER GOODS (NON-DURABLE) (173)	217.68	—	18.82	7.28	6.43	217.61	216.48	216.81	217.50	259.13
22	Breweries (14)	280.04	−0.3	15.81	6.28	7.43	281.00	279.80	278.35	279.45	298.04
23	Wines and Spirits (5)	296.96	+0.1	18.34	6.29	6.72	296.63	294.89	294.58	299.31	331.45
24	Entertainment, Catering (17)	292.59	−0.1	19.34	7.42	6.36	292.88	292.52	291.79	294.22	347.08
25	Food Manufacturers (21)	191.95	−1.0	20.47	7.67	5.73	193.87	191.63	191.66	191.56	230.80
26	Food Retailing (13)	305.42	+0.6	14.65	5.07	8.45	303.70	301.04	300.52	299.87	314.07
32	Newspapers, Publishing (13)	426.38	+2.3	22.19	6.86	6.04	416.66	414.34	402.69	405.28	485.01
33	Packaging and Paper (15)	129.69	−0.5	25.03	9.02	4.87	130.38	129.12	130.08	130.96	150.54
34	Stores (43)	213.26	+0.2	14.53	5.69	8.81	212.80	213.17	212.71	213.78	263.52
35	Textiles (24)	127.10	+0.6	28.26	12.13	4.41	126.37	122.53	123.74	124.13	185.19
36	Tobaccos (3)	205.96	+1.2	28.27	11.92	4.01	203.50	202.50	209.03	207.54	265.11
37	Toys and Games (5)	28.35	+3.3	53.04	17.11	2.32	27.45	29.36	30.63	30.96	77.15
41	OTHER GROUPS (98)	206.63	+0.5	17.44	7.23	6.81	205.62	202.71	202.80	203.38	229.63
42	Chemicals (16)	315.42	+0.5	19.65	7.60	5.82	313.71	305.46	303.80	304.26	317.03
43	Pharmaceutical Products (7)	185.39	+0.6	13.58	7.22	8.93	184.25	185.64	186.29	187.64	264.55
44	Office Equipment (6)	108.88	+0.1	19.62	7.62	5.88	108.81	108.80	110.33	111.19	141.36
45	Shipping (10)	502.01	+0.1	13.63	7.04	8.94	501.49	497.86	504.55	507.12	478.56
46	Miscellaneous (59)	249.35	+0.5	17.16	6.86	7.19	248.07	244.40	244.47	244.73	270.84
49	INDUSTRIAL GROUP (492)	227.04	+0.2	18.16	7.03	6.68	226.51	224.84	225.53	226.34	264.60
51	Oils (8)	777.76	+4.0	29.59	6.62	3.73	747.93	724.96	715.63	726.03	652.32
59	500 SHARE INDEX	270.50	+1.0	20.63	6.94	5.71	267.76	264.48	264.42	265.96	296.48
61	FINANCIAL GROUP (118)	202.40	—	—	6.08	—	202.40	201.55	201.62	202.12	209.90
62	Banks (6)	213.84	−0.7	45.79	7.20	2.68	215.27	213.17	212.57	213.56	251.60
63	Discount Houses (10)	245.51	+0.6	—	7.91	—	244.02	240.11	243.20	244.48	254.44
64	Hire Purchase (5)	205.19	−1.6	16.01	4.84	8.11	208.57	207.20	207.20	208.01	199.67
65	Insurance (Life) (10)	181.99	—	—	7.00	—	181.91	181.09	181.69	182.11	171.45
66	Insurance (Composite) (9)	130.48	−0.5	—	8.25	—	131.15	130.96	131.74	131.33	142.89
67	Insurance Brokers (10)	296.49	+0.1	15.95	6.91	8.71	296.29	296.38	297.33	296.42	315.35
68	Merchant Banks (14)	106.15	+0.2	—	5.80	—	105.95	105.78	105.03	105.38	106.00
69	Property (45)	402.56	+1.1	3.31	2.72	42.97	398.16	398.47	397.63	399.59	365.73
70	Miscellaneous (9)	130.17	−0.3	20.13	7.26	6.32	130.56	128.33	128.27	129.16	134.57
71	Investment Trusts (109)	220.28	+1.2	—	6.10	—	217.69	216.10	216.69	216.47	237.26
81	Mining Finance (4)	187.57	+2.0	14.18	5.26	8.55	183.86	181.34	183.34	181.95	144.23
91	Overseas Traders (19)	382.05	+0.4	13.11	7.07	9.33	380.43	374.54	375.91	378.16	368.72
99	ALL-SHARE INDEX (750)	254.02	+0.9	—	6.70	—	251.85	249.17	249.28	250.39	272.44

FIXED INTEREST PRICE INDICES

	British Government	Wed., May 14	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.43	−0.17	—	4.02
2	5-15 years	108.35	−0.40	—	4.15
3	Over 15 years	112.34	−0.44	—	4.81
4	Irredeemables	130.37	−0.09	—	6.08
5	All stocks	107.76	−0.33	—	4.31

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., May 14	Tues., May 13	Year ago (approx.)
1	Low Coupons	5 years	12.24	12.15	9.78
2		15 years	12.19	12.11	10.53
3		25 years	12.19	12.11	11.07
4	Medium Coupons	5 years	14.05	13.93	11.37
5		15 years	13.85	13.76	11.81
6		25 years	13.66	13.59	11.95
7	High Coupons	5 years	14.11	14.07	11.69
8		15 years	14.19	14.07	12.18
9		25 years	14.04	14.07	12.29
10	Irredeemables		11.18	11.16	10.95

		Wed. May 14 Index No.	Wed. May 14 Yield %	Tues. May 13	Mon. May 12	Fri. May 9	Thur. May 8	Wed. May 7	Tues. May 6	Fri. May 2	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.29	†14.42	51.28	51.17	50.67	50.65	50.70	50.88	50.47	61.24
16	Investment Trust Prefs. (15)	47.54	14.20	47.45	47.50	47.65	47.69	47.69	47.69	47.48	52.03
17	Coml. and Indl. Prefs. (20)	61.49	14.57	61.53	61.19	61.65	61.58	61.58	61.49	61.34	75.11

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Shell Transport	25p	14	384	+18	410	314
BP	25p	16	354	+14	412	320
De Beers Defd.	R0.05	8	404	+10	553	388
Premier Cons.	5p	8	96	− 2	98	39½
KCA Intl.	25p	7	94	+ 1	94	41
LASMO	25p	7	665	—	673	337
Ultramar	25p	7	328	+ 6	340	206
Cons. Gold Fields	25p	6	469	+ 9	533	385
GEC	25p	6	386	− 1	388	326
ICI	£1	6	394	+ 2	402	353
Marks & Spencer	25p	6	88	—	96	77
Unilever	25p	6	412	− 6	480	388
Imperial Group	25p	5	78½	+ 1	84	71½
Linfood "New"	Nil/pd.	5	11pm	—	13pm	11pm
Lon. Merchant Secs. Defd.	25p	5	104	—	104	70

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8
Jun. 9	Jun. 20	Sept. 11	Sept. 22

For rate indications see end of Share Information Service.

Call options were transacted in Woodside, Premier Oil, Berkeley Hambro, National Carbonising, Renwick, Serck and Candecca. Puts were done in Lesney Products, FNFC, Dowty and Premier Oil, while doubles were arranged in Coral Leisure and UDT.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	Nil	—	£85½	£85½	BASF	[illegible]					
85	F.P.	18/6	95	87	[illegible]	[illegible]					
—	F.P.	—	180	136	[illegible]	[illegible]					
90	F.P.	—	101	94	[illegible]	[illegible]					
—	F.P.	—	34	28½	[illegible]	[illegible]					
10	F.P.	6/8	10¾	10	[illegible]	[illegible]					

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
100p	F.P.	—	101	98	Edwards (L.C.) 9% Conv. Red. Cum. Pref.	[illegible]	
—	—	2/9	118	104	[illegible]	[illegible]	
[illegible]	F.P.	30/5	110½	95¼	[illegible]	[illegible]	
[illegible]	F.P.	9/5	106	100¼	[illegible]	[illegible]	
[illegible]	F.P.	29/5	96	93½	[illegible]	[illegible]	
[illegible]	F.P.	30/5	101¼	100¼	[illegible]	[illegible]	
[illegible]	Nil	—	5½pm	3pm	[illegible]	[illegible]	
[illegible]	F.P.	9/6	93	91	[illegible]	[illegible]	
[illegible]	F.P.	30/5	101½	98½	[illegible]	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		1980 High	1980 Low	Stock	Closing Price p	+ or −
223	F.P.	—	—	405	[illegible]	Aran Energy	[illegible]	
30	F.P.	1/6	12/6	150	[illegible]	Brent Chemicals	[illegible]	
86	F.P.	—	—	34pm	[illegible]	Gilford's Dairies 'A'	[illegible]	
12	Nil	—	—	1½pm	[illegible]	East Rand Cons.	[illegible]	
27	Nil	—	—	4pm	[illegible]	[illegible]	[illegible]	
40	Nil	—	—	7pm	[illegible]	First Castle Secs.	[illegible]	
48	F.P.	25/4	23/5	65	[illegible]	Hawley Leisure	[illegible]	
118	Nil	—	—	13pm	[illegible]	Howard Tenens	[illegible]	
60cts	Nil	—	—	43pm	[illegible]	Linfood	[illegible]	
54	F.P.	—	—	74½	[illegible]	Pancontinental	[illegible]	
180	F.P.	—	—	306	[illegible]	Rugby Portland Cement	[illegible]	
68	F.P.		13/6	76	[illegible]	United Biscuits	[illegible]	
110	F.P.	[illegible]	13/6	143	[illegible]	Watmo...	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. 47.1 49.5 −0.1 —
Sterling Equity Fd. 59.1 62.0 — —
Intnl. Bond Fd. US$0.99 1.04 — —
Intnl. Equity Fd. US$0.98 1.03 — —

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460
Commodity Trust 129.89 136.73 — —

Surinvest (Jersey) Ltd. (x)

King & Shaxson Mngrs.

Kleinwort Benson Limited

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	45.4	48.8	+0.4	2.85
Abbey Capital	36.5	39.4	+0.2	5.84
Abbey General	47.4	50.7	+0.4	6.15
Abbey Gilt & F.I. Tst.	106.0	111.6	+0.2	9.61
Abbey Income	41.0	44.3	—	8.86
Abbey Ind. Bd. Tst.	95.3	100.8	—	5.46
Abbey Inv. Tst. Fnd.	37.7	40.7	+0.2	6.73
Equitas Prog. Trust	69.4	75.0	+0.6	5.97

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	85.7	90.3	—	13.26

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	76.6	82.0	+0.8	6.46
Brit. Inds. Fund	70.4	75.3	+0.6	6.72
Growth & Income	42.4	45.4	+0.3	5.85
Elect. & Ind. Dev.	37.4	40.0	+0.3	6.13
Allied Capital	78.0	83.5	+0.7	5.57
Hambro Fund	119.0	127.3	+1.4	6.34
Hambro Acc. Fund	146.2	156.4	+1.8	5.75

Income Funds

High Yield Fd.	65.1	69.7	-0.1	10.90
High Income	69.6	74.5	+0.5	9.19
A. H. Eq. Inc.	41.1	44.0	+0.3	8.16

International Funds

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638

Disc. Inc. May 9	200.6	213.9	—

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623

Great Winchester	17.0	18.7	—
Gt. Winchester O'seas.	21.0	23.2	—

Emson & Dudley Tst. Mngmnt. Ltd.
20 Albemarle St., W1. 01-493

Emson Dudley Tst.	68.1	73.2	—

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494

Equity & Law	72.8	76.6	—

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248

American	22.6	23.8	+0.2
Fixed Interest	25.1	26.5	—
Growth + Income	29.9	31.5	+0.1
Special Sits.	29.0	30.6	—

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204

J. Finlay Internat'l	27.8	29.0	+0.6
Accum. Units	33.2	35.7	+0.8
J. Finlay High Income	31.6	34.0	-0.2
J. Finlay Euro.Fin.	21.4	23.0	+0.2
Accum. Units	26.7	28.7	+0.2
J. Finlay Fd.In.Tst.	33.3	35.8	+0.5
Accum. Units	41.1	44.2	+0.7

Prices on May 7. Next dealing May 14.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628

American May 12	49.0	52.2	—
Am. T'around May 12	48.8	52.0	—
Capital Tst.	52.4	56.0	+0.2
(Accum. Units)	53.2	56.8	+0.2
Extra Income Trust	47.6	50.8	+0.2
Income Tst.	37.4	39.8	—
Int. Growth Fd.	42.0	44.8	+0.2
(Accum. Units)	44.8	47.8	+0.4

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking.

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

NOTES

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
87¼	82¼	Aust. 5½pc '81-82	87¼	+¼	6.35	13.79
79½	72½	Do. 6pc 1981-83	78¾	+¼	7.66	13.95
64	53	N.Z. 7½pc 1988-92	63¼	+¼	11.86	28.99
78¼	72	Do. 7½pc '83-86	78	+¼	18.01	13.68
92¼	88	Sth. Africa 9½pc '79-81	92½xd	+½	10.31	15.58
160	107	Sth. Rhod. 2½pc '65-70	150	–2	—	—
167	133	Do. 6pc 76-81	163	.....	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.51	12.79
79	73½	Alcan 10½pc '89-94	79	.....	13.85	14.70
28½	25	Met. Wtr. 3pc 'B'	27	.....	11.36	13.37
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
90½	85½	Do. without Warrants	90½	.....	10.44	16.40

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ $A1	208	.....	Q22c	5.7	5.4	5.0
245	183	Alexanders D. £1	238	+3	16.0	—	9.6	—
£76½	£56	Algemene Fl.100	£65	+½	Q25%	1.9	7.7	7.0
360	290	Allen Harvey £1	355	+5	21.5	—	8.6	—
128	103	Allied Irish	103	–5	h08.09	—	7.6	—
17	13	Ansbacher (H.) 5p	17	+½	—	—	—	—
230	180	Arbuthnot L. £1	230	.....	†10.42	—	6.5	—
360	298	Bk. Ireland £1	302	–13	Q23.51	—	7.8	—
£162	£146	Do. 10pc Conv.	£150	.....	Q10%	—	F6.7	—
8	5	Bk. Leumi 50.1	6	.....	Q11.4%	—	1.9	—
120	100	Bk. Leumi (UK) £1	120	.....	8.57	—	10.7	—
178	137	Bk. N.S.W. $A1	142	.....	Q16c	♦	5.9	♦
305	235	Bank Scotland £1	245	.....	15.0	5.1	8.7	3.1
£20¼	£16¼	Bankers N.Y. $10	£19½	–½	Q$3.30	—	7.6	—

BANKS & HP—Continued

Hire Purchase, etc.

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INDUSTRIALS—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
33	22	Hirst Mat'son 20p	24	......	2.6	1.4	15.5	(4.6)
80	75	Holden (A.)	80	......	†4.0	3.4	7.1	5.6
51	44	Hollis Bros	44	......	15.12	1.8	16.6	4.2
256	207	Holt Lloyd Int. 10p	222	+1	F9.0	2.3	5.8	12.2
182	120	Hoover 'A'	178	......	12.0	0.9	9.6	(7.3)
110	93	Hopkins & H 20p	110	+3	8.0	1.5	10.9	7.6
80	54	Howard Tenens	60	+1	b2.28	—	5.4	—
375	290	Hunting Assoc.	345	......	22.5	11.4	1.0	9.8
90	66	Huntleigh 10p	77	−1	1.19	♦	2.2	♦
87½	63	Hutch Whamp SHK1	80½	−1	Q28c	♦	3.6	♦
25½	18	Hyman (I. & J.) 5p	19xd	+1	1.25	♦	9.4	♦
£11⅞	845	I.C. Industries$1	£11⅞	+⅜	Q52.00	—	7.9	—
145	111	ICL	139	......	h2.97	6.9	3.1	5.2
32	24	Ingall Inds. 10p	24	......	2.27	1.7	13.5	7.0
134	107	Initial Services	130	+1	†5.5	2.5	6.0	7.7
18	10	Inter-City 20p	10½	......	0.6	♦	8.2	♦
57	43	J. B. Holdings 10p	43	......	3.0	2.1	10.3	6.5
150	120	Jacksons Bourne	123	+3	†3.0	3.3	3.5	11.7
18½	14½	James (M.) Ind. 20p	18½	+½	20.75	3.3	5.8	11.1
149½	108	Jardine M. SHK5	138	......	M082c	♦	5.6	♦
29	21½	Jentique	22	......	2.48	1.6	16.1	4.1
7	4½	Johnson & Barnes	5	......	—	—	—	1.9
180	135	Johnson Clers.	155	......	6.2	3.8	5.7	5.0
300	205	Johnson Mthy. £1	270	......	†8.5	2.9	4.5	9.2
57	39½	Jourdan (T.) 10p	52	......	4.2	0.6	11.5	20.2
75	63	Kalamazoo 10p	64	+1	3.75	1.6	8.4	10.8
133	98	Kelsey Inds.	128	......	6.0	4.1	6.7	5.2
72	53	Kennedy Sm. 10p	60	......	t2.8	3.7	6.7	7.9
362	225	Kershaw (A.) 5p	290	......	h21.75	0.6	10.7	(31.0)
75	69	Kleen-E-Ze Hldgs.	75	......	d4.5	2.1	8.6	7.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
254	[illegible]	Phoenix	216xd	+2	13.3	—	[illegible]	[illegible]
166	[illegible]	Provident	164	......	10.2	—	[illegible]	[illegible]
189	[illegible]	Prudential	187	......	9.5	—	[illegible]	[illegible]
166	140	Refuge 5p	160	......	10.6	—	[illegible]	[illegible]
356	[illegible]	Royal	345	−5	21.5	—	[illegible]	[illegible]
105	88	Sedgwick 10p	103	......	5.0	2.3	[illegible]	[illegible]
82	67	Stenhouse	75	......	4.52	2.5	[illegible]	[illegible]
215	[illegible]	Stewart Wr. 20p	203xd	+5	12.0	2.0	[illegible]	[illegible]
610	[illegible]	Sun Alliance £1	590xd	−2	28.0	—	[illegible]	[illegible]
166	[illegible]	Sun Life 5p	159xd	......	H7.5	—	[illegible]	[illegible]
541	[illegible]	Taisho Mar. EDR	488	......	Q10%	—	[illegible]	[illegible]
193	[illegible]	Trade Indemnity	185	......	5.6	—	[illegible]	[illegible]
£19⅝	[illegible]	Travelers $2.50	£16⅝	+¼	Q52.40	—	[illegible]	[illegible]
250	[illegible]	Willis Faber	220	......	11.0	1.8	[illegible]	[illegible]

LEISURE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
74	60	Anglia TV 'A'	64	......	3.57	3.8	[illegible]	[illegible]
99	81	Assoc. Leisure 5p	95½	......	†4.25	2.6	[illegible]	[illegible]
129	102	Barr & W.A.T. 'A'	102	......	6.75	♦	[illegible]	[illegible]
63½	44	Black Edgtn. 50p	44xd	−1	5.0	♦	[illegible]	[illegible]
136	86	Boosey & Hawkes	113	......	5.67	♦	[illegible]	[illegible]
90	50	Campari Int. 20p	56	......	†h3.65	3.5	[illegible]	[illegible]
80	57	Coral Leis. 10p	58	......	7.45	2.2	[illegible]	[illegible]
95½	79½	Fairline Boats 10p	90½	......	g5.2	3.6	[illegible]	[illegible]
55	37	[illegible]	43	......	—	—	[illegible]	[illegible]
34	24	Grampian 'A' 10p	33xd	+1	2.28	♦	[illegible]	[illegible]
106	90	HTV Non/Vtg.	101	+1	10.0	1.5	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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PROPERTY

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE, LAND—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RUBBERS AND SISALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEAS

India and Bangladesh

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sri Lanka

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Africa

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Central African

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	ACM 20c	15	......	—	—	—
86	52½	Bond Corp.	65	......	h02.8c	2.2	2.2
156	88	Bougainville I Kina	100	......	h026.4c	♦	14.9
265	195	BH South 50c	200	......	†—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Copper

235	130	Messina R0.50	280xd	......	mQ10c	♦	3.3

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	360	+10	—	—	—
97	58	Barymin	58	−8	—	—	—
16	12	Burma Mines 17½p	15	......	0.62	♦	6.0
502	320	Cons. Murch. 10c	340	+10	MQ100c	1.8	16.8
585	325	Northgate C$1	355	+20	—	—	—
485	327	R.T.Z.	367xd	+7	15.0	q3.3	5.8
33	16	Robert Mines	22	+1	—	—	—
58	26	Sabina Inds. C$1	37	+4	—	—	—
650	411	Tara Expln. $1	430	+19	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses, but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- § No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	29	......
Bertam	19	+2
Bdg'wtr. Est. 50p	425	+10
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	34	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£15	+½
Higsons Brew	88xd	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	177	+2
Pearce (C. H.)	440xd	......
Peel Mills	40	......
Sheff. Refrshmt	100	......
Sindall (Wm.)	156	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£87½	+⅛
Nat. 9¾% 84/89	£75	......
Fin. 13% 97/02	£83⅝	+½
Alliance Gas	43	......
Arnott	371xd	......
Carroll (P.J.)	52	......
Clondalkin	110	−2
Concrete Prods.	75	......
Heiton (Hldgs.)	34	......
Ins. Corp	245	......
Irish Ropes	60	......
Jacob	32	......
T.M.G.	105	......
Unidare	100	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	15	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lofs"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	52
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Thursday May 15 1980

New forecast on EEC funds could defer budget crisis

BY JOHN WYLES IN BRUSSELS

In spite of earlier warnings that the European Community was likely to run out of funds next year, European Commission officials are now predicting that there should be enough money to see the EEC through until early 1982.

If forecasts now being prepared prove accurate, a row among the Nine could be postponed. At some stage, though, the difficult choice between putting a severe curb on farm spending and increasing the flow of "own resources" into the Community's treasury will still have to be made.

But more immediately, the prospect of a reprieve from virtual bankruptcy could have a big impact on the delicate negotiations over Britain's demands for a cut in its EEC budget payments. These talks will resume this weekend at a meeting in Naples of EEC Foreign Ministers.

At the abortive heads of government talks in Luxembourg last month, West Germany and others pointed to the EEC's approaching budget ceiling as a good reason for a limited settlement of the British problem, covering 1980 and 1981.

Officials now suggest that the UK's eight co-members can be reasonably confident that there will be enough money in the budget to cover existing commitments, particularly in agriculture, as well as to allow a significant cut in the UK's payments.

The final offer turned down by Mrs. Margaret Thatcher, the Prime Minister, would have reduced Britain's 1980 £1.1bn budget bill by about £775m in 1980 and 1981.

But if the EEC's budget dilemma is receding until 1982 then the eight may insist on an offer covering two years, instead of the three demanded by Mrs. Margaret Thatcher, on the grounds that the longer-term outlook for Community finances is too obscure.

The Commission's new conclusions are surprising because it has been assumed that the 5 per cent farm price increase already agreed by the eight, coupled with the cost of a British settlement, could force the Community to exceed its budget in the second half of next year.

The budget ceiling is in the form of a 1 per cent limit on the Community's income from member states' value added tax collections. Budget needs are met by using the VAT monies to bolster the customs duties and agricultural levies agreed by the Nine to Brussels.

Critics will say that the latest forecast takes too optimistic a view of the farm spending outlook in 1981 since agricultural costs are already running 14 per cent higher this year than last.

But officials claim that a comparable rate of increase could be accommodated next year within a total spending budget approaching £11.6bn (19bn units of account), compared with probable spending this year in the region of £9.6bn (15.8bn units of account).

SDLP considers Ulster proposals

By Stewart Dalby

THE SOCIAL Democartic and Labour Party, the main Roman Catholic political group in Northern Ireland, met last night to consider its attitude towards the Government's imminent White or Green Paper on devolution for the province, the outlines of which are beginning to emerge.

In addition to controversial proposals for a return to a thinly disguised form of majority rule at an executive level, the Government's plans are thought to include the offer of a massive financial incentive to the 500,000 Catholic minority.

Mr. Humphrey Atkins, Northern Ireland Secretary, is thought to favour a system with a legislature and an executive which would be elected on the basis of majority rule, that is to say a cabinet-style government which would be dominated by the mainly Protestant Unionists and which would exclude power-sharing.

As an inducement to the Catholics it is thought that the Government will propose safeguards like weighted majorities in the legislature and, more significantly, some kind of financial inducement to the Catholics in general and the SDLP in particular to take part in a new devolved assembly.

The inducements could range from a minimum of special funds for Catholic housing in rundown areas of Belfast and Londonderry to a special cabinet-style committee—akin to a U.S. Senate committee—which would have far reaching powers over finance.

It has been suggested in Belfast that Mr. John Hulme, the SDLP leader, would be offered chairmanship of such a committee, which would have a considerable measure of control over a great amount of the £2bn spent in Northern Ireland.

The tentative proposals have yet to be accepted by the special cabinet committee on Northern Ireland, which is headed by Mr. William Whitelaw, Home Secretary and a former Northern Ireland Secretary, and which includes Lord Carrington, Foreign; Mr. Francis Pym, Defence Secretary and a previous Northern Ireland Secretary, and Mr. Atkins.

A lot depends on whether Mr. Hulme, who has repeatedly stressed the need for negotiations with the Republic of Ireland as the only way out of the Northern Ireland impasse, can accept anything short of full power sharing.

Mr. Charles Haughey, the Irish Prime Minister, is due to meet Mrs. Thatcher on May 21 to discuss the question of Irish reunification. It is thought that the Government will not unveil its proposals for limited devolution in Northern Ireland, until after that meeting.

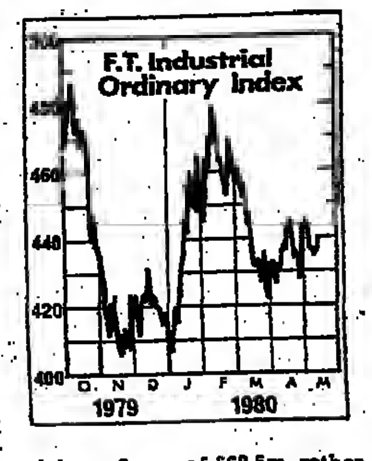
Mr. Hulme, even if he receives the acceptance of his party in agreeing to the Government proposals, will want to know Mr. Haughey's views before formalising them.

THE LEX COLUMN

U.S. pressures on CU and Royal

The Government Broker was able to supply some more of his tap stock yesterday, and around 30 per cent of this £1bn issue may now have been sold. But the market's composure was tested by a poor set of average earnings figures. The April figures will be further burdened by Clegg adjustments and the steel workers' return to work, and the series will be racing the retail price index up to 22 per cent, opening an 8 point gap above long bond yields.

Index rose 3.1 to 440.0



Composites

Royal Insurance's pre-tax profits have recovered from £12.8m to £25.5m in the first quarter, a rather sharper comeback than Commercial Union's rise from £23.4m to £26.3m reported on Tuesday. But Royal's improvement in underwriting is less than could be explained by the absence of 1979's exceptional weather losses—which could have been around £10m—and both Royal and CU remain below the profit levels which they reached in January-March 1978.

On an underlying basis there is no doubt that underwriting conditions are deteriorating, especially in the U.S.—where the chase for premiums is putting heavy pressure on operating ratios—and Canada, where CU has weakened sharply although Royal has so far only suffered a modest deterioration on last year.

The hope has been that high interest rates on both sides of the Atlantic would at least partly make up for any decline in underwriting returns, so the key disappointment of both quarterly statements is the poor growth in investment income—up 9 per cent in the case of Royal but only 2 per cent for CU. The reasons are far from clear, but there must be a clue in the low level of premium growth—CU's premiums were barely up in the first quarter, Royal's were actually down in sterling terms—and this has presumably had an influence on cash flow. At any rate, the market is now resigned to another year of nil profits growth—or worse—from CU and Royal, and the yields are appropriately above average at 10.7 and 8.9 per cent, respectively.

Coats Patons

Coats Patons' 1979 figures are mildly encouraging, for the textile sector as a whole as well as for the individual company. The fall in pre-tax profits has been limited to 10.8 per cent, giving a figure of £63.5m, rather above the generally gloomy expectations. Leaving aside the relative currency translation losses that inevitably result from Coats' exposure to countries like Brazil, the group reckons to have lost £12m from currency movements.

On the whole demand seems to have been fairly resilient, particularly in thread, although Brazilian price controls are hurting. The group's worst performer has been the UK garment trade, where the creeping impoverishment of tourists helped leave Jaeger's profits £3m lower.

Coats is unhappy about the effect of the Hyde adjustments, which show a £7m loss in 1979 after a £10½m profit the previous year. The group believes that these figures are distorted by a quite unrealistic depreciation charge—£37m last year—and it intends to produce its own replacement cost depreciation figures in 1980. It will also persist with the assumption that the higher depreciation charge should, through notional capital allowances, be offset by a lower tax charge—an exercise which allows it to turn last year's £7m loss into a £3.3m profit—and the 1980 accounts may well carry a qualification on this score.

This year higher interest costs will be offset by higher profits on property sales, and the group is expecting to increase earnings. On this basis the shares are not dear at 50p, less than four times earnings, where the yield is 12.1 per cent.

Tin merger

Over the past week the shares of a number of Malaysian tin extracting companies operating in Perak have been shooting up, with Malayan Tin Dredging and South Malayan Tin Dredging rising more than 25 per cent on the London market to 730p and 455p respectively. Yesterday the reason emerged with the announcement that six companies in the Malaysian Mining Corporation (MMC) stable are discussing merging under the lead of Malayan Tin Dredging. This group would be the biggest tin producer in the world, accounting for 14 per cent of Malaysian output or 4½ per cent of the world's, excluding China.

Such a group would be in a much stronger position to obtain new land leases from the state government of Perak. But the price may prove to be an element of dilution for ordinary shareholders as the Malaysian Government pushes through the 71 per cent-owned MMC, to enlarge its holdings.

Apart from the administrative and tax advantages, one clear benefit is likely to be improved marketability of shares, since the combined group would have a market capitalisation of more than £120m. But it is unlikely that this will be sufficient to reverse the rapid decline in the number of shares in the companies held in the UK, now below 10 per cent of the total.

Ranks Hovis

Ranks Hovis McDougall had every chance of a strong profits recovery in the six months to February, since the first half of 1978-79 had been hit by £7m of bread strike losses. The bakery division has duly recovered this sum, but pre-tax profits have only risen to £20.2m from £16.1m, a figure increased by £1.7m through the retrospective decision to take most rationalisation costs below the line.

The figures are all the more disappointing because a series of flour price rises—the legacy of the Spillers/Dalgety struggle—has helped RHM's cereal division. On the animal feed side, although volume was down as a result of the mild winter, input costs were also lower and profits held up.

But the weather has made severe inroads into the grocery division's earnings, as consumption of suet and porridge was not encouraged by a warm January. In Ireland, Ranks' problems have worsened, and losses stretch out to I£0.8m. Despite the group's continuing attempts to reduce borrowings the interest charge is up by £2½m, and only a small improvement in profits is expected for the second half. At 47½p, on a p/e of 7 and a yield of 11.4 per cent, the shares look fairly valued.

Malay tin mining merger planned

By Kenneth Marston, Mining Editor

A MERGER of six Malaysian tin mining companies, which would create the world's biggest tin concern, is being proposed. It would produce about 14 per cent of Malaysia's output of the metal.

The companies, headed by Malayan Tin Dredging, have a combined share market value of more than £120m. The others are Southern Malayan Tin Dredging, Southern Kinta Consolidated, Kramat Tin Dredging, Lower Perak Tin Dredging and the unlisted Bidor Malaya Tin, a subsidiary of Tronoh Mines.

Details of the proposals are not expected for several weeks, but Malayan is likely to offer new shares in exchange for those in the other companies. Share dealings in the six have been suspended at the companies' request pending negotiations with their advisers.

The six companies have also appointed Morgan Guaranty Trust of New York to carry out independent share valuations.

The merger proposal is a rationalisation which would reduce the present cross-shareholdings among the companies and ease financial and administrative problems.

It would have the important advantage of putting into a single Perak-based company the various companies' operations in that state.

In Malaysia, mining and land are dealt with by the State governments, and this rationalisation would facilitate future dealings with Perak. It could, for instance, have an important bearing on negotiations for new mining ventures.

The companies were originally controlled from London, but joined the general emigration of such concerns to Malaysia in the 1970s. In 1976, Malaysia Corporation was formed and holds between 30 and 40 per cent of the companies.

The Malaysian Government has a stake of 71.4 per cent in MMC and the remaining 28.6 per cent is held by London's Charter Consolidated.

Interbank plans to enter travellers cheque market

BY IAN RODGER

INTERBANK Card Association, the licensor of Mastercard, plans to enter the increasingly competitive travellers cheque business early next year.

The move comes at a time when the century-old travellers cheque market, with estimated world sales of $30bn ($13bn) a year, is already being shaken by the entry last November of the Visa bank card organisation and by the association of Thomas Cook with several European banks agreed in March.

Mastercard first tried to get into the travellers cheque business two years ago but was blocked by a legal action and injunction obtained by Citicorp, a large U.S. travellers cheque issuer.

In seemingly contradictory statements, Interbank said it would launch its Master Travelers Cheque in the first quarter of 1981 while Citicorp said it had abandoned its action on learning that Interbank "had determined not to go forward with the travellers cheque programme at this time."

In fact, Interbank has changed its approach to the travellers cheque business. Its original plan had been to be a single issuer in which all Interbank members would participate. Citicorp, itself a Mastercard member, claimed that such a move would constitute unfair competition for its travellers cheque business.

To get around the problem, Interbank has decided to follow the Visa approach, which it once ridiculed, and not be an issuer itself.

Instead, it will authorise any number of its 12,000 member banks that want to become issuers of the Master Travellers Cheque to do so and claims already to have applications from 23. Unlike Visa, however, Interbank would provide central printing and procesing.

Observers wonder if Citicorp and Interbank have come to some agreement to join forces in the same way as Barclays Bank, with its substantial travellers cheque business, joined Visa, or whether such an agreement is planned.

Mr Russell Hogg, president of Interbank, said: "I don't think it would be appropriate to comment on that at this time." He denied having had any conversations with Citicorp.

Mr. Hogg also said Interbank has had no discussion with European banks. Many European bank members of Interbank may also become members of the new Thomas Cook Eurotravellers cheque consortium, raising a possible conflict.

Mr. Dee Hock, president of Visa, said he was "flattered" that Mastercard had adopted the Visa approach and predicted that market shares in the business would change substantially in the next few years.

NATO backs tough U.S. stance

BY REGINALD DALE, EUROPEAN EDITOR, IN BRUSSELS

THE U.S. has won the backing of most of its major allies for a tougher Western military posture in the wake of the Soviet invasion of Afghanistan.

Yesterday's joint meeting in Brussels of the NATO Defence and Foreign Ministers ended with firm public expressions of Western solidarity, reaffirmation of the Americans' unshakable commitment to the defence of Europe, and undertakings to strengthen the alliance's forces in the light of what was seen as greater Soviet willingness to make active use of its global military power.

Wider-ranging trans-Atlantic foreign policy differences—over issues that figured only on the fringe of the defence and strategic consultations in Brussels—are unresolved.

Mr. Edmund Muskie made it clear at his first major appearance as U.S. Secretary of State, that he does not favour current European attempts to launch a new initiative on the Palestinian problem that might sored Camp David Middle East peace process.

His officials suggested that EEC countries were falling short of earlier commitments to introduce economic sanctions against Iran, and said that "disappointment" would be the mildest word used by the U.S. if West European athletes attended the Olympic Games in Moscow.

Nevertheless, Mr. Muskie can now go to his first meeting with Mr. Andrei Gromyko, the Soviet Foreign Minister, in Vienna tomorrow, assured that West Europeans countries are as a whole, prepared to help Washington to shoulder the increased defence responsibilities that have stemmed from the Afghan crisis.

The allies have agreed to go for a two-stage programme under which a number of earlier military commitments would be accelerated to help *Washington* re-assign U.S.-based forces for a possible role in the Middle East rather than Western Europe in time of emergency.

It was noted that France, which does not take part in the alliance's military structure and did not atten dthe meeting, is also stepping up its defences independently.

Stage one of the plan, which takes effect immediately, involves what have been described as "quick fixes" such as increasing stocks of ammunition, improving defences against chemical warfare, earlier commissioning of some equipment, and the installation of new missiles on NATO warships.

The second stage, details of which are to be completed at the alliance's winter ministerial meeting in December, will include longer-term measures such as a build up of European reserves of men and munitions, the allocation of civil aircraft to a trans-atlantic air bridge if Europe needs reinforcement from the U.S. and further improvements in the alliance's electronic capabilities.

Warsaw Pact anniversary, Page 2

Continued from Page 1

Saudia Arabia

indicated that it will maintain output at 9.5m barrels a day—1m barrels above its preferred ceiling—perhaps to the end of the year. In this way pressures on the world oil supply and demand balance should reduce.

Companies say even if Saudi Arabia cuts its ouput to 8.5m barrels supplies should be more than adequate to meet demand for the rest of the year and through next winter. Oil stocks are at their highest for several years, while the economic recession has significantly reduced demand.

This situation has been reflected on the spot market where traders report very little activity and a general weakening of product prices. Spot cargoes of crude oil are said to be still valued at between $34 and $37 a barrel.

Sue Cameron writes: The Saudi oil price rise has faced a number of UK petrol companies with the question whether they should increase their own product prices.

Groups like Esso, Texaco and Mobil, which take a substantial proportion of their UK oil requirements from Saudi Arabia, would normally pass on their increased costs in the form of higher prices for petrol, fuel oil and heating oil. But at present there is fierce competition over petrol prices.

Esso, joint UK petrol market leader with Shell, takes about 40 per cent of its UK oil requirements from Saudi Arabia. Naarly all the rest comes from the North Sea. Texaco takes more than 50 per cent from Saudi and Mobil about half its UK oil supplies from Saudi Arabia.

The oil majors estimate that a $1 a barrel increase in the price of crude usually adds about 1.3p a gallon to the wholesale price of petrol. On this basis Esso and the other companies which rely on Saudi supplies could be expected to put up their pump prices by 3p a gallon.

But there is already price cutting at the pumps in some parts of the country. One oil executive said last night a 3p increase by Esso "would leave Shell laughing." Shell takes about 40 per cent of its UK crude supplies from Kuwait and nearly all the rest from the North Sea.

Continued from Page 1

Earnings

the figure 12 months ago and the highest since early 1976.

Not all the rise in earnings has resulted from pay settlements. Officials estimate that about 2 to 3 percentage points of the increase have been due to "drift"—factors like promotion and regrading. This puts the average level of pay settlements at about 17 to 18 per cent, with quite wide variations between sectors.

The spread of current pay settlements indicated by the Confederation of British Industry's survey of wage increases in manufacturing industry, also published yesterday. This shows that 48 per cent of pay deals notified to it since last August have been for rises of 15 per cent or less. Just over 41 per cent were for increases of 16 to 20 per cent, while 10 per cent were for 21 per cent or more. The overall spread of pay settlements was between 20 and 32 per cent.

Sectors not covered by the CBI survey, in particular service industries like banking and insurance, appear to be giving larger wage increases than manufacturing companies, which have been harder hit by the rising pound and the squeeze on corporate liquidity.

The March earnings figures were influenced by special factors, but these seem to have cancelled each other out. The index was depressed by 2 percentage points owing to the direct and indirect effects of the steel strike in lowering employment and overtime levels. But earlier settlement dates in the presnet pay round compared with last year boosted the index by 0.3 points, and large back-dated payments addad 1.75 points.

Payments last month to local authority workers, National Health Service ancilliaries, nurses and industrial civil servants under the Clegg awards will add about 0.75 points to the April index. This makes up a large portion of the overall 2 per centage points which will accrue to the index as a whole for the year to August as a result of the Clegg payments. Of this, 0.75 to 1 point came in up to March 1 leaving only about 0.25 to 0.5 points to be adde in the remaining months after April.

The April index will be further increased as a result of resumption of work after the steel strike, which ended on April 1. Earnings will also have been affected by "catching up"

Weather

UK TODAY

Mainly dry, sunny and hot. Showers in some western districts.

Orkney, Shetland

Dry and mostly sunny. Max. 15C (59F).

All other areas

Dry and sunny. Very warm, but cooler near some coasts. Occasional showers in some western districts. Max 25C (77F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	16	61	Lisbon	C	17	63
Algiers	S	20	68	London	S	18	64
Amsdm.	S	19	66	Luxmbg.	S	16	61
Athens	S	18	66	Madrid	C	19	66
Bahrain	S	36	97	Majorca	C	21	70
Barclna.	C	17	63	Malaga	S	23	73
Beirut	F	20	68	Malta	C	20	68
Belgrd.	F	15	59	Mchstr.	S	22	72
Berlin	S	13	55	Melbne	C	18	64
Biarritz	C	14	57	Mex. C.	C	20	68
Bmghm.	S	20	68	Milan	C	14	57
Blackp'l	S	22	72	M'ntreal	C	12	54
Bordx.	C	13	55	Moscow	C	6	43
Boulgn.	S	19	66	Munich	C	13	55
Bristol	S	21	70	Nairobi	R	21	70
Brussels	S	12	54	Naples	C	16	61
Budpst	F	11	52	Nwcstl.	S	14	57
B. Aires	R	24	75	N. York	C	22	72
Cairo	S	28	82	Nice	C	19	66
Cardiff	S	20	68	Oporto	C	15	59
Casbca.	F	19	66	Oslo	S	21	70
Cape T.	C	15	59	Paris	C	20	68
Chicago	S	15	59	Perth	C	19	66
Cologne	S	19	66	Prague	S	11	52
Conhgn.	S	10	50	Rhodes	S	20	68
Corfu	C	21	70	Rio J'o	S	30	86
Dublin	S	18	64	Rome	R	15	59
Dbrvnk	C	19	66	Salzb'rg	F	16	61
Ednbgh.	F	14	57	Singapr.	S	29	85
Faro	S	21	70	Stckhm.	S	18	64
Florence	R	15	59	Strasb'g	S	18	64
Frankf't	S	18	64	Sydney	C	18	64
Funchal	F	18	64	Tangier	S	19	66
Geneva	F	16	61	Tehran	S	27	80
Gibrltr.	S	20	68	Tel Aviv	F	20	68
Glasgow	S	19	66	Tenerife	C	14	57
G'nsey	S	15	59	Tokyo	S	25	77
Helsinki	F	13	55	Toronto	C	12	54
H. Kong	S	28	82	Tunis	C	18	64
Innsbr'k	C	18	64	Valencia	C	20	68
Invrnss.	F	19	66	Venice	C	16	61
I.o.Man	S	11	51	Vienna	F	12	54
Jersey	S	16	61	Warsaw	C	9	48
Jo'burg	S	21	70	Zurich	F	13	55
L. Plms.	F	20	68				

C—Cloudy F—Fair R—Rain S—Sunny

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